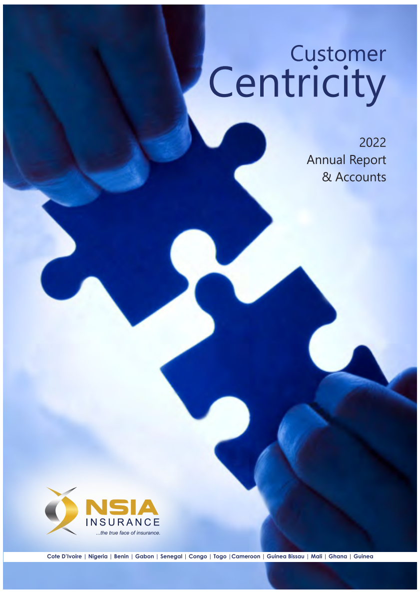
Customer Centricity

2022
Annual Report
& Accounts

NSIA INSURANCE
...the true face of insurance.

Cote D'Ivoire | Nigeria | Benin | Gabon | Senegal | Congo | Togo | Cameroon | Guinea Bissau | Mali | Ghana | Guinea

One of Africa's leading provider of diversified insurance products and services to improve the lives of our customers, contribute to a more sustainable society and generate value for our shareholders. These influence every aspect of our business.



2022 Annual Report & Accounts

Customer Centricity

Our market leadership in managing insurance risk in Nigeria, and our expanding footprint throughout Africa, demonstrate our experience.

Our business is built on understanding people and their evolving requirements throughout their lives. We strive to recognize things before others do and develop long-term strategies to manage and meet the needs of our consumers.

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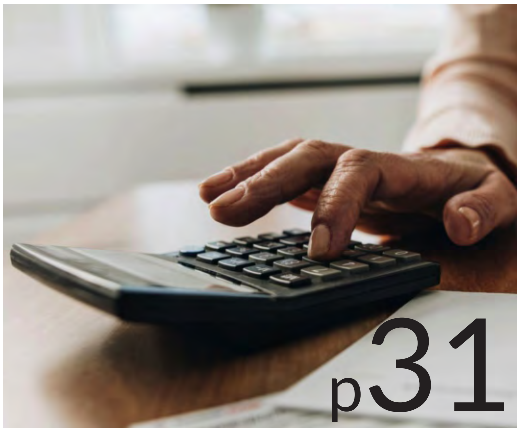


Financial Statements

Other National Disclosures

Our Vision

We are a purpose-driven insurance organization that exists to create, protect and preserve wealth.

Our People
by providing an enabling environment for them to develop and thrive

Clients and Customers
to consistently put a smile on our customers' faces at every service touch point

Suppliers and Partners
by treating them fairly and encouraging them to deliver

Investors
by delivering positive returns on investment

Society
by acting as a responsible business for the communities

We bring these values to life through our day-to-day operations and by putting our vision at the centre of everything we do

We are committed to being a progressive and responsible business in the way we serve our stakeholders including our people, clients, customers, suppliers, partners, investors and society.

- **Innovation**
- **Care**
- **Integrity**
- **Professionalism**

Our Values

We strive to create better outcomes for our stakeholders by prioritizing our values in all we do.

Cautionary statement
The directors present the Annual Report for the year ended 31 December 2022, which includes the strategic report, corporate governance, and audited accounts for this year. The Annual Report comprise a report of the directors which has been drawn up and presented in accordance with English company law, and the liabilities of the directors in connection with that report shall be subject to the limitations and restrictions provided by such law. Where the directors' report refers to other reports or material, such as a website address, this has been done to direct the reader to other sources of NSIA Insurance information which may be of interest. Such additional materials do not form part of this report.

To download a copy of the Annual Report 2022, go to: https://nsiainsurance.com/financialreport

Result at a Glance

We are confident about the outlook for the business, where over the past years we have demonstrated our passion in the way we deliver business and meet customer needs.

Performance

Our approach hasn't altered. It continually motivates us to assist others in achieving financial stability and makes us economically and socially responsible members of society. And it is supported by long- term passion and professional drivers that persist despite short-term economic and political instability.

₦14.6b
Total Equity

₦28.7b
Total Asset base

₦18b
Gross Premium Written

₦8.8b
Net Premium Income

₦2b
Underwriting Profit

₦978.5m
Profit Before Income Tax

₦873.4m
Profit After Income Tax


NSIA INSURANCE
It's I time
Get INSURED today
Secure all ...
that's precious to you
Call us on
08097209218
to get started
NSIA...the true face of Insurance.
01-2718199, 0809 720 9218, 0700NSIAINSURE
3, Elsie Femi Pearse Street, Victoria Island, Lagos, Nigeria.
customerservice@nsiainsurance.com
www.nsiainsurance.com
NSIA INSURANCE

Overview

About Us

At Groupe NSIA, we believe that providing the best risk-management for companies and individuals comes from our expert knowledge of the industries in which we operate combined with our dedication to looking out for our clients' interests, always.

Following our successful acquisition of ADIC Insurance Ltd.—one of Nigeria's leading distributors of diversified insurance products and services—NSIA Insurance has continued ADIC's tradition of providing services that consistently meet and exceed stakeholders' expectations.

Groupe NSIA holding companies currently operate throughout Africa including Cameroon, Congo, Gabon, Benin, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau, Mali, Nigeria, Togo and Senegal. We are driven by our commitment to innovation, professionalism, reliability and rates that are highly competitive and matched only by the excellence of the products and services provided.

Whether you need to protect your business, the investment you have in your home/automobile or your family in case of eventualities, NSIA Insurance is here to help you manage your risks and give you peace of mind.

Call or email us today to let our professional team guide you through your options and help you decide what cover is best for your needs.

Our Mission

To create, protect and preserve wealth.

Our Vision

To distinguish NSIA as the trusted and preferred financial services partner in every home and enterprise in Nigeria.

NSIA Quality Objectives

- To pay claims on all classes of business within 48 hours following the receipt of the signed discharged voucher.
- To ensure zero-infraction in compliance with statutory requirements.
- To achieve customer satisfaction index of 90% and employee satisfaction index of 90%.
- To ensure improvement of the QMS in compliance with ISO 9001:2015 standard by conducting annual quality audits and ensuring all identified non-conformances are remediated within three months.

NSIA Quality Policy

We are committed to the continuous improvement of the effectiveness of our Quality Management System.

In order to achieve this, we review and monitor the validity of our strategic direction whilst assessing internal and external influencers to determine the effect on our business.

NSIA strives to operate transparently and comply with relevant regulations and statutory requirements; we review our products and services to ensure that they meet customers' requirements and encourage quality consciousness amongst all interested parties.

Some of our Products

NSIA Insurance is a leading provider of diversified insurance products and services that consistently meet and exceed stakeholders' expectations.

Education Endowment Assurance

Secure the future of your loved ones with a sound education.

Motor Insurance

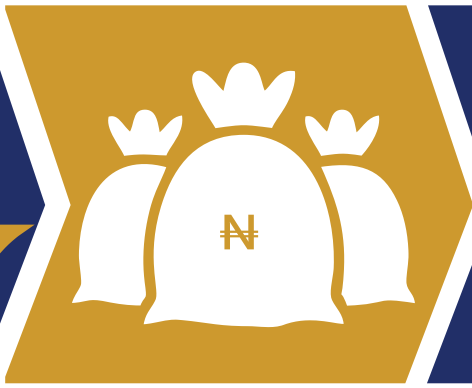
Go places with peace of mind.

Term Assurance

Leave a lasting impression to secure the future of your loved ones.

Marine Cargo Insurance

Get financial protection against eventualities while at sea.



NSIA Savings Plan

Save today to stay in control tomorrow.

Travel Insurance

Say yes to new adventures with a stress-free cover.

Contact Information

Corporate Head Office:

3, Elsie Femi Pearse Street,
Victoria Island, Lagos.
P. O. Box 5061, Lagos, Nigeria.
Tel: 01 – 2805378-9, 01- 2714977,
09048418896
E-mail: enquiry@nsiainsurance.com
customerservice@nsiainsurance.com

Our Branch Offices

Ikeja
161, Awolowo Road, Alausa,
Ikeja, Lagos State, Nigeria.

Abuja
3, Kotonkarfee Close
Off Oyo Street,
Area 2, Garki Abuja.

Ibadan
Oxford House, Beside UBA
Regional Office,
Lebanon Street, Dugbe,
Ibadan, Oyo State, Nigeria.

Kaduna
Suite PP10 Mazangari
Investment
Building, 17F, Independence
Way, Kaduna, Nigeria.

Onitsha
46, Iweka Road, Onitsha,
Anambra, Nigeria.

Kano
375, Civic Centre Road,
J.B.S Plaza,
Kano State, Nigeria.

Port Harcourt
1B, Stadium Road,
Port Harcourt,
Rivers State, Nigeria.

Warri
57, Effurun/Sapele
Road, Effurun,
Delta State, Nigeria.

Corporate Information

Board Of Directors

Dr Adesegun Akin-Olugbade (OON)	Chairman
Mr Moruf Apampa	Managing Director (Appointed November 1, 2022)
Mrs Ebelechukwu Nwachukwu	Managing Director (Resigned May 27, 2022)
Mr Chidi Ajaere	Non-Executive Director
Mrs Mansan Dominique Diagou Epse Ehile***	Non-Executive Director
Mrs Helene Konian ***	Non-Executive Director
Mr Apollos O. Ikpobe	Non-Executive Director
Mr Almamy K Timite ***	Non-Executive Director
Mr Sidy Faye *	Non-Executive Director
Mr Mathieu Benjamin Aime Lawson**	Non-Executive Director
Mr Adeola Adetunji	Non-Executive Director (Appointed August 2, 2022)
Mr. Abideen Musa	Executive Director
Mr. Sunday Uwagboi	Executive Director

*- Senegalese
** - Beninese
*** - Ivorian

Company's FRC No

FRC/2012/0000000000303

Company's RC Number

129628

Actuary

Zamara Consulting Actuaries Nig. Ltd
4th Floor, Ibukun House,
Adetokunbo Ademola,
Victoria Island.
FRC/2019/00000012910

Registered Office

3, Elsie Femi Pearse Street,
Off Adeola Odeku, Victoria Island, Lagos.
enquiry@nsiainsurance.com
www.nsiainsurance.com

Engagement Partner:

Seth Chengo
FRC/2017/NAS/00000016912

Company Secretary

Punuka Attorneys & Solicitors
Plot 45, Oyibo Adjarho Street,
Off Admiralty Way,
Lekki Peninsula, Phase 1,
Lagos, Nigeria.

Auditor

Ernst & Young
10th & 13th Floors, UBA House,
57 Marina, Lagos.
Nigeria.

Principal Reinsurers

African Reinsurance Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation
Nigeria Reinsurance Corporation

Property Valuers

A.C. Otegbulu & Partners
5th Floor, Western House,
8 – 10 Broad Street, Lagos, Nigeria
FRC/2013/NIESV/00000001582

Principal Bankers

Access Bank Plc
Guaranty Trust Bank Plc
First Bank of Nigeria Limited
Stanbic IBTC Plc
Fidelity Bank Plc
Zenith Bank Plc
Wema Bank Plc
Unity Bank Plc

Governance

Board of Directors

DR. ADESEGUN AKIN-OLUGBADE (OON)
Chairman, Board of Directors

Adesegun AKIN-OLUGBADE is an international lawyer and leading finance and corporate governance with extensive legal, financial services, and corporate management experience. He holds a Doctorate degree (SJD) and a master' degree (LL.M.) from Harvard Law School. He obtained an LL.B. (Honours) degree from King's College London (University of London), in 1983, and was called to the Nigerian Bar in 1984. He also obtained an LL.M. degree in International Financial Law in 1985 from King's College London (University of London).

Adesegun is the founder and Principal Partner of Luwaji Nominees, a corporate management and legal advisory firm established for the promotion of good corporate governance, and legal and regulatory compliance, and currently serves as Of Counsel at Clifford Chance (CC Worldwide Limited) and as International Counsel at Aelex Partners. He was appointed the first African member of the World Trade Board in 2019 and has been on the Monetary Law Committee of the International Law Association (MOCOMILA) for 15 years.

He is an accomplished multilingual and multi-skilled leader, who is passionate about the socio-economic development of Africa and has over 30 years of legal and operating management experience primarily with leading commercial law firms, multilateral development banks, and international financial institutions. He has served in Executive Management, as Chief Operating Officer, and as General Counsel of the highest-rated pan-African international financial institutions and on the Boards of Directors of multinational corporations.

He was conferred with the National Honour of Officer of the Order of the Niger (OON) by the Federal Republic of Nigeria in 2012. He sits on the Board of NSIA Insurance Limited as the Chairman.

MR. MORUF APAMPA
Managing Director/Chief Executive Officer

Moruf Apampa is a graduate of Insurance from the Lagos State Polytechnic and holds an MBA from the University of Ado-Ekiti. His professional pedigree is well-rounded with extensive experience working with leading companies in the Insurance industry in Nigeria.

His exposure covers his role as Executive Director (Technical and Business Development) for FBN Insurance Limited; his time as Chief Executive Officer of Sunu Assurances Nigeria Plc, Nigeria, and other pivotal roles in several organizations.

Moruf is also a Fellow of the Chartered Insurance Institute of Nigeria, and an Alumnus of the prestigious Lagos Business School, Howard Business School Washington, and Columbia Business School.

He is happily married with children.

MR. CHIDI AJAERE
Non-Executive Director

Chidi Ajaere is a progressive Nigerian, global entrepreneur, investor, and a strong believer in the potential of Africa. He serves as the Executive Chairman of the GIG Group; an indigenous technology and intelligence-driven management company tasked with the responsibility of managing subsidiaries within the group whose respective goals are to be the best within their various industries. Under his visionary leadership, some of these subsidiaries have pioneered revolutionary technologies and caused rapid disruption in their sectors. With a combination of technological innovation, deliberate business tactics and strategies, as well as a huge investment in human empowerment, he is propelling the future and evolution of a modern Africa.

Chidi holds a Post Graduate degree in International Business Management from Grifith University, Australia, and a Bachelor's degree in Business Management from Niagara College, Canada. He has attended a number of high profile leadership and management programs including an Executive Leadership Development program from the Stanford Business School. Chidi sits on the board of NSIA Insurance as well as on the board of several other companies.

Board of Directors

MRS. MANSAN DOMINIQUE DIAGOU EPSE EHILÉ
Non-Executive Director

Dominique DIAGOU serves as the Central Operating Director at NSIA Participations. She is a professional with over fififteen (15) years of experience in Finance, Business Development, Human Resources and Company Management.

She joined Société Ivoirienne de Raffinage as a Treasury Assistant in 1998 before becoming the Head of Treasury in Côte d'Ivoire Telecom, in 2003. Dominque joined the NSIA Group in June 2004 as a Business Development Director at NSIA Vie Côte d'Ivoire and rose through the ranks to become the Managing Director of NSIA Vie Assurance (Côte d'Ivoire) in May 2012. She holds a Bachelor in Business Administration from the Institut Franco-Americain De Management (IFAM), France, and a Master in Business Administration from Bryant University, USA.

Dominique enjoys reading and engaging in different sports and charitable activities.

MRS. HÉLÈNE KONIAN
Non-Executive Director

Hélène KONIAN is a seasoned professional with over thirty (30) years of experience in legal, banking, and general management with a focus on Corporate Governance and the promotion of an ethical culture in the corporate world. Hélène started her career as a legal officer in BIAO, a commercial bank in Abidjan, in 1983 and rose through her career ladder to become the Company Secretary/Legal Manager of Ecobank Group's Retail Bank division from 2009 to 2016.

She has served on a number of boards including those of GEPEX (Association of Ivorian Coffee & Cocoa Exporters, Abidjan), OCTIDE (Financial services, Paris), and LOCAFIRQUE (Leasing, Dakar). Hélène has a Master's degree in Business Law from the University of Paris and a post-graduate degree (D.E.S.S) in Banking Law & Economy from the University of Paris.

Hélène serves as a Non-Executive Director of the Board of NSIA Insurance.

MR. APOLLOS IKPOBE
Non-Executive Director

Apollos IKPOBE is a business-minded professional with over twenty-five (25) years of experience in Accounting, Taxation, Credit Administration, General Management and Audit. He holds a Master's degree in Banking & Finance from the University of Lagos.

He joined Ernst & Young & Company (Chartered Accountants) as an Audit Senior/Consultant in 1988. Apollos was the Branch Manager at Zenith Bank in 1996 where he turned around the Marina branch from a lossmaking branch to the 4th most pro?table branch in 7 months. He rose through the ranks during his time in Zenith Bank Plc to become an Executive Director in 2005 up until he left to join United Bank for Africa in 2013 as the Deputy Managing Director.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), the Institute of Credit Administration of Nigeria (ICA), and the Chartered Institute of Taxation of Nigeria (CITN). Apollos serves as a Non-Executive Director of the Board of NSIA Insurance.

Board of Directors

MR. ALMAMY K TIMITE
Non-Executive Director

MR. SIDY FAYE
Non-Executive Director

MR. MATHIEU BENJAMIN AIME LAWSON
Non-Executive Director

Almamy K. TIMITE is the Deputy Chief Operations Officer, Insurance Division of NSIA Group which he first joined in 2017 as Regional Director, West Africa. Prior to that, he served as Regional Director Anglophone Countries for SUNU Assurance Group and Managing Director of SUNU Group's life insurance subsidiary in Cote d'Ivoire.

Before joining the insurance industry in 2012, he was a renowned leader, strategic thinker, and business developer who worked in various multinational companies such as The Coca-Cola Company, SIFCA Group, and Ernst & Young. His 25-year diverse experience affords him a high level of adaptability in strategic, operational, and transactional competencies across various sectors such as Finance, FMCG, Agro-industry, and Insurance.

He currently sits on the Board of a few insurance subsidiaries of NSIA Group and serves as the chair of the environmental, social and governance Board committee of Gaselia Industries Group, one of the largest homegrown non-alcoholic beverages groups in West Africa. Fluent in French and English, Almamy trained as an electrical engineer in France and holds an MBA from Emory University, USA.

Sidy FAYE is an accomplished expert with over thirty-five (35) years of experience in the insurance industry. He holds a master's degree in Economics from the Enterprise Management at Cheikh Anta DIOP University of Dakar and a Post-graduate Professional Degree (DESS) from the Higher Cycle of Yaoundé International Institute of Insurance.

He has also attended various training and seminars with NSIA, CIMA- FANAF, HEC, OAA, SCOR, etc. in various subjects: Management- Finance - Insurance regulation - Accountability - Audit & Management Control - Insurance Techniques & Administrative process- Reinsurance - Commercial development - Marketing strategy - Information system - Quality Management Systems, etc.

Sidy is currently the Chairman of the Board of NSIA Assurances SENEGAL and NSIA Assurances MALI, the Chairman of the Audit Committee of NSIA Assurances GUINEA, NSIA Assurances BISSAU, and MICROSEN, a Microfinance company in Senegal. He is a member of the Audit Committee of NSIA Assurances of CONGO (Brazzaville) and sits on the Board of NELSON Reassurance, NSIA Group's captive in charge of reinsurance operations. He is currently a Non-executive Director on the Board of NSIA Insurance Limited.

Mathieu LAWSON is a lawyer who obtained his law degree from the Abidjan University, Law Faculty, where he also obtained his master's in Private Law and Business Careers.

He graduated from the National Insurance School of PARIS (ENAS) and obtained a Certificate in Insurance from the National Conservatory of Arts and Crafts (CNAM) Paris, and his Baccalaureate A4 Series (Republic of Benin).

He is the founder and Managing Associate of Beninvest Assurances and also the founder/Chairman of Firstnet S.A. Mathieu was the Managing Director of SONAR (National Insurance Company, Republic of Benin). He sits on the Board of various companies and currently serves as a Non-executive Director on the Board of NSIA Insurance Limited.

Board of Directors

MR. ADEOLA ADETUNJI
Non-Executive Director

Adeola ADETUNJI started his career at the Coca-Cola Company in Atlanta, 1993 where he gained vast experience holding several executive roles. During his tenure, he was a representative on the board of several subsidiaries in the Sub Saharan Africa region. Presently, he is the co-founder and Chief Executive Officer of Mvoula Group Limited.

Adeola is a Fellow chartered accountant with a B.Sc. in Economics from the University of Ife, Nigeria. He also holds an MBA in Finance and Strategic Planning from the University of Pittsburgh, Pennsylvania USA, and has attended a number of courses at Harvard Business School.

He is also a non-executive director on the Boards of; The Central Bank of Nigeria, NIRSAL PLC, The University of Pittsburgh, Pennsylvania, USA (Global Advisory Board), among other organizations in South Africa, Republic of Congo and Cameroun.

A multi lingual and well-travelled person, Adeola has keen interests in diverse and challenging activities like mountain-climbing and environmental awareness expeditions in Antarctica.

Mr. Adetunji is a long-standing member of the Young Presidents Organization, leveraging on his diverse experience he is involved in contributing to the development and advancement of Nigeria and Africa.

MR. ABIDEEN MUSA
Executive Director

Abideen Musa is an Executive Director and he currently heads the Technical Department of General and Life Businesses at NSIA, a position to which he was appointed in March 2017. He is a seasoned insurance professional with over twenty-two (22) years of experience in underwriting different classes of risks, Claims Management, and Marketing.

He started his career in NOA Insurance Brokers Limited in 1995, moving on to Equity Indemnity Insurance Company in 1999 as an Underwriter spending eight years with the organization and eventually leading the Underwriting Unit.

Abideen has both a Bachelor's and Master's Degree in Geography and Planning from the University of Lagos. He is also an Associate Member of the Chartered Insurance Institute of Nigeria and an alumnus of Lagos Business School. He has attended diverse local and international training/conferences. A sports fan, Abideen enjoys table tennis, football, traveling, and reading.

MR. SUNDAY UWAGBOI
Executive Director

Sunday Ngozi UWAGBOI joined NSIA Insurance to head Marketing and Relationship Management in February 2018 and was appointed Executive Director in July 2018.

Prior to his engagement with NSIA Insurance, Sunny worked with Zenith General Insurance Company Limited for over thirteen (13) years and rose to the level of General Manager in charge of Business Development, Relationships Management, and Marketing. Being one of the pioneer staff, his marketing and business development acumen was very instrumental in building the customer base of the company, especially in the broker's market.

With over twenty-four (24) years of experience in the Insurance Industry, Sunny started his insurance career with Triumph Assurance Company Limited where he garnered experience in Marketing and Underwriting. He later joined Fortune Assurance Company Limited where he contributed immensely to the development and expansion of the Underwriting and Marketing team and rose to the level of Deputy Manager before exiting.

He worked with Central Insurance Company Limited as the Head of Business Development before the merger with Linkage Assurance during the last insurance recapitalization and consolidation exercise.

Sunny has attended several courses both local and international that cut across Marketing, Oil & Gas, Relationship Management, and Effective & Dynamic Leadership amongst others. A graduate of the Institute of Management and Technology, (IMT), Enugu. Sunny holds an MBA in Marketing from Lagos State University, is an Alumnus of the Prestigious Lagos Business School, and an Associate Member of the Chartered Insurance Institute of Nigeria.

He likes reading, meeting people and traveling.


NOT INSURED


INSURED

Financial Highlights

For the year ended 31 December 2022

In thousands of Naira	2022	2021	%
STATEMENT OF PROFIT OR LOSS			
Gross premium written	18,017,227	13,703,336	31
Gross premium income	16,822,858	12,674,852	33
Net premium income	8,858,616	6,842,262	29
Net underwriting income	9,979,115	7,822,690	28
Underwriting profit	2,005,381	1,669,566	20
Profit before income tax	978,541	363,194	169
Profit after income tax	873,472	281,918	210
Basic and diluted earnings per share (kobo)	5	2	150
STATEMENT OF FINANCIAL POSITION			
Total assets	28,691,895	25,503,010	13
Insurance contract liabilities	10,129,034	8,169,319	24
Investment contract liabilities	155,113	226,696	(32)
Total liabilities	14,100,723	11,862,710	19
Shareholders' funds/total equity	14,591,172	13,640,300	7

Chairman's Statement

Dear Esteemed Shareholders, Board colleagues, and all stakeholders here present, distinguished ladies and gentlemen, I have the pleasure of welcoming you to the 2023 Annual General Meeting of NSIA Insurance Limited, and presenting to you, the Annual Report and Accounts for the Financial Year ended 31st December 2022.

OPERATING ENVIRONMENT

The global economy continued to expand slowly in 2022, owing to the additional trade restrictions imposed, particularly on the export side (due to continued supply chain disruptions); and in the context of the Russia-Ukraine war and the food security issue. Both foreign and domestic trade were affected, creating a time of uncertainty in the business environment. In general, there was macroeconomic hardship, tighter financial conditions, and geopolitical tensions globally.

The global trends impacted the Nigerian economy, causing disruptions in international trade, increases in commodity prices, and high costs of living, which were worsened by crisis in the oil sector, unfavourable exchange rates, and weighty inflationary pressures.

In Nigeria, inflation reached a record high of 21.34% in 2022, representing a 5.71% rise over the 15.63% recorded in December 2021; however, the Central Bank of Nigeria continued to manage the rising inflation with strict monetary policy measures.

The impact of these economic realities, on the other hand, increased political sensitivity and involvement in the 2023 Nigerian Presidential and Gubernatorial Elections.

INSURANCE INDUSTRY

Despite the operational challenges in domestic and global economies in 2022, the Nigerian Insurance Industry still maintained a positive growth trajectory with an estimated Gross Premium Income (GPI) of about N726bn representing a growing proportion of about 36.3%, QoQ and indeed, about 17.8% YoY; notably driven by the consistent regulatory measures being carried out by the Commission.

The National Insurance Commission (NAICOM) increased the third-party insurance policy rates from the basic rate of N5,000 to N15,000, while also setting a minimum premium rate of 5% for comprehensive motor insurance policies, among other new policy measures, in the exercise of its statutory function to establish standards for the conduct of insurance business in Nigeria.

In 2022, the Insurance regulator issued revised Market Conduct and Prudential Guidelines to ensure that insurance institutions conduct themselves professionally and in accordance with international best practices. The Bancassurance Guidelines were also revised for effectiveness and efficiency.

In general, with the various regulatory initiatives and insurance awareness, the industry would continue its upward trend in 2023.

FINANCIAL PERFORMANCE

Despite the challenging operating environment in the country, our company closed the year with positive results, delighted its shareholders, and made prompt claims payment to customers.

The Gross Premium Written (GPW) grew by 31% from N13.7 billion in 2021 to N18.0 billion in the year under review while the Gross Premium Income (GPI) increased by 33% from N12.7 billion in 2021 to N16.8 billion in 2022. Furthermore, the Profit Before Tax scaled from N363.2 million in 2021 to N978.5 million representing a growth of 169% whilst the Profit After Tax also rose by 210% from N281.9 million in 2021 to N873.5 million in 2022. The increase in GPW was largely experienced by all classes of our business (Life and Non-Life).

We paid claims to the tune of N8.81 billion as against N6.72 billion paid in 2021 which represents a year-on-year growth of 31%, indicating our relentless commitment to our valued consumers. We will remain focused on delivering financial stability for our customers, and as always, we will not rest on our successes in exceeding our customers' and stakeholders' expectations.

The total assets of the company grew by 13% from N25.51 billion to close at N28.69 billion as of 31st December 2022.

Chairman's Statement

This growth was driven by the company's sound investment strategy which was bolstered by the increase in Gross Premium Written.

DIVIDEND

In fulfillment of the objective of the Company to maximize shareholders' wealth for tangible returns, the Board of Directors hereby recommends a cash dividend of N396 million which translates to 2.2kobo per ordinary share, subject to withholding tax at the prevailing rate and approval at the Annual General Meeting.

FUTURE OUTLOOK

The results of the elections in 2023 are expected to stimulate the insurance market, with the new government's increase in the public sector's need for insurance coverage. We also expect improved regulatory intervention as well as the introduction of fresh ideas to drive overall economic transformation.

As a flexible and market-sensitive company, we will remain tenacious and steadfast in the implementation of our 5-year business strategy, while we continue to interact with stakeholders across the entire value chain.

We remain resolute in exploring the opportunities created from the regulatory initiatives on the Bancassurance partnership, and increased premium rates for motor insurance and will strategically drive the International Health Insurance to sustain an overall improved performance.

DIRECTOR'S APPOINTMENT

Within the second quarter of the year, Mrs. Ebelechukwu Nwachukwu, Managing Director / CEO, resigned from the Board after years of valuable service and contributions to the growth of the Company.

Consequently, and after a competitive Executive Search process, the Board appointed Mr. Moruf Apampa another seasoned insurance expert with decades of proven experience to fill the vacancy created by the resignation.

CONCLUSION

Dear distinguished Shareholders, I want to express my sincere appreciation for your unwavering support throughout the past year. I am immensely grateful to the Board, Management, and staff of our Company for their hard work in 2022, despite facing unprecedented challenges. I extend my heartfelt gratitude to everyone for being here today, as your commitment and support are crucial to our continued success in the insurance industry.

Dr Adesegun A. Akin-Olugbade, OON
Chairman, Board of Directors
NSIA Insurance Ltd
June 1st, 2023

Directors' Report

For the year ended 31 December 2022

The Directors present their annual report on the affairs of NSIA Insurance Limited ("the Company") together with the financial statements and the Independent auditor's report for the year ended 31 December,2022

(a) Legal form

The Company, previously known as ADIC Insurance Limited, was incorporated in Nigeria as a limited liability company in April 1989. It was licensed on 18 April 1989 to carry on insurance business and commenced operations in December 1989. It is a subsidiary of NSIA Participations Holding SA established in 1995.

(b) Principal activity and business review

The principal activity of the Company is the provision of Non-life and Life insurance services to individuals and corporate entities.

(c) Operating results

The highlights of the Company's results for the year are as follows:

In thousands of Naira	**2022**	**2021**
Net underwriting income	9,979,115	7,822,690
Net investment income	1,494,101	1,180,394
Total net underwriting and investment income	11,473,216	9,003,084
Profit before income tax	978,541	363,194
Income tax	(105,069)	(81,276)
Profit after income tax	873,472	281,918
Appropriations:		
Transfer to statutory contingency reserve	(395,721)	(291,000)
Transfer to Retained earnings	477,751	(9,082)
Retained earnings, beginning of the year	406,260	676,342
Dividend paid during the year	-	(261,000)
Retained earnings, end of the year	884,011	406,260

(d) Dividend

During the year, no dividend was paid. (2021: total dividend of N261,000,000 (1.45k per share) was paid as final dividend for 2020 financial year).

(e) Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the importance of having an effective and efficient risk management system in place.The Company's strategy for managing risk exposures is to establish and maintain a robust Enterprise Risk Management (ERM) programme that is embedded in all processes and driven by technology with emphasis on protection from unwanted risk while maintaining stakeholders' value. The ERM programme structures and coordinates all direct and indirect risk management activities within the Company, while eliminating redundancies and ensuring consistency in the risk management process. The risk management strategy also entails constantly monitoring daily risk positions, attracting and retaining qualified personnel, reducing volatility in supplies, and managing political risk. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior management.

Lastly, a policy framework which sets out the risk profiles, risk management, control and business conduct standards for the Company's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance.

The board of directors approves the risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's:

- identification of risk and its interpretation;
- limit structure to ensure the appropriate quality and diversification of assets;
- align underwriting and reinsurance strategy to the corporate goals; and
- specify reporting requirements.

Directors' Report

For the year ended 31 December 2022

(f) Board of Directors

The following board members served during the year

Dr Adesegun Akinjuwon Akin-Olugbade,OON	Chairman
Mr. Moruf Apampa	Managing Director (Appointed 1st November, 2022)
Mrs. Ebelechukwu Nwachukwu	Managing Director (Resigned 27th May,2022)
Mr. Chidi Ajaere	Director
Mrs. Mansan Dominique Diagou Epse Ehile*	Director
Mrs. Hélène Konian*	Director
Mr. Apollos Ikpobe	Director
Mr. Matthieu Lawson**	Director
Mr Adeola Adetunji	Non-Executive Director (Appointed August 2, 2022)
Mr. Almamy Timite*	Director
Mr. Sidy Faye**	Director
Mr. Sunny Uwagboi	Executive Director
Mr. Abideen Musa	Executive Director

* - Ivorian; **- Senegalese; ***- Beninese

(g) Directors and their interests

The Directors who served during the year and their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors shareholding and/or as notified by the Directors for the purpose of Section 301 of the Companies and Allied Maters Act, 2020 ("CAMA 2020")

Directors	Direct Shareholding	
	Number of Ordinary Shares Held **31-Dec-2022**	Number of Ordinary Shares Held **31 Dec 2021**
Dr Adesegun Akinjuwon Akin-Olugbade,OON	Nil	Nil
Mr. Moruf Apampa	Nil	Nil
Mr. Chidi Ajaere	Nil	Nil
Mrs. Mansan Dominique Diagou Epse Ehile	Nil	Nil
Mrs. Hélène Konian	Nil	Nil
Mr. Apollos Ikpobe	Nil	Nil
Mr. Matthieu Lawson	Nil	Nil
Mr Adeola Adetunji	Nil	Nil
Mr. Almamy Timite	Nil	Nil
Mr. Sidy Faye	Nil	Nil
Mr. Sunny Uwagboi	Nil	Nil
Mr. Abideen Musa	Nil	Nil

(h) Acquisition of own shares

The Company did not purchase its own share in the 2022 (2021: Nil).

(i) Property and equipment

Information relating to changes in property and equipment is given in Note 26 to the financial statements. In the directors' opinion, the market value of the Company's properties is not less than the value shown in the financial statements.

(j) Shareholding analysis

The shareholding composition of the Company as at 31 December 2022 is as stated below:

Share range	No. of shareholders	Percentage of shareholders (%)	No. of shares	%
100,000,001-5,000,000,000	1	10	17,344,367,262	96.36
0 – 100,000,000	9	90	655,632,738	3.64
	10	**100**	**18,000,000,000**	**100**

Directors' Report

For the year ended 31 December 2022

The shareholding composition of the Company as at 31 December 2021 is as stated below:

Share range	No. of shareholders	Percentage of shareholders (%)	No. of shares	%
100,000,001-5,000,000,000	1	10	17,344,367,262	96.36
0 – 100,000,000	9	90	655,632,738	3.64
	10	**100**	**18,000,000,000**	**100**

Shareholding analysis continued

(j) Major Shareholding

According to the Register of Members, no shareholder, other than the undermentioned held more than 5% of the issued share capital of the Company as at 31 December 2021:

	31 December 2022		31 December 2021	
	No of shareholding	**% shareholding**	**No of shareholding**	**% shareholding**
NSIA Participations Holding SA	17,344,367,262	96.36%	17,344,367,262	96.36%

(k) Directors' interest in contracts

For the purposes of Section 303 of the Companies and Allied Maters Act, 2020 ("CAMA 2020"), none of the existing Directors has direct or indirect interest in contracts or proposed contracts with the Company during the year.

(l) Donations and charitable gifts

The Company donated the total sum of N4,712,123 (2021: N16,465,639) to the following organizations during the year.

	2022 N'000	2021 N'000
Down Syndrome Foundation	3,865	3,700
National Insurance Association	100	1,000
Professionals Insurance Ladies Association	-	5,000
Institute of Chartered Accountants of Nigeria	200	250
Chartered Insurance Institute of Nigeria	47	65
Lagos State Area Committee	-	2,700
Lagos Business School	-	250
Institute of Directors	-	190
NCRIB, NNBE, NAIPCO & Others	500	3,311
	4,712	**16,466**

(m) Human resources

Employment of disabled persons

The Company has a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. In the event of members of staff becoming disabled, effort is made to ensure their continued employment with the Company. None of the Company's employees however suffered disability during the year.

Health, safety and welfare at work

The Company accords priority to staff health and welfare. The Company retains private hospitals where medical facilities are provided for staff and their immediate families at the Company's expense. A Contributory Pension Scheme, in line with the Pension Reform Act, exists for employees.

Employee involvement and training

The Company ensures, through various fora, that employees are informed of matters concerning them and they undergo relevant trainings. This on the job training is also complemented by classroom-type in-house and externally sponsored training opportunities to continuously update their skills. In line with its policy, the Company in the year under review sponsored its employees for various training programmes both in-house and externally.

(n) Gender analysis for employees and the Board of Directors

The number and percentage of male and female employed during the financial year vis-à-vis total workforce was as follows:

Directors' Report

For the year ended 31 December 2022

31 December 2022	**Male (Number)**	**Female (Number)**	**Total (Number)**	**Male (Percentage)**	**Female (Percentage)**
Employees	77	60	137	56%	44%
Gender analysis of the Board and top management:					
Board	10	1	11	91%	9%
Top management	1	3	4	25%	75%
Detailed analysis of the Board and top management:					
Assistant General Manager	1	1	2	50%	50%
Deputy General Manager	0	1	1	0%	100%
General Manager	0	1	1	0%	100%
Executive Directors	3	0	3	100%	0%
Non-executive Directors	7	1	8	88%	12%
Total	**11**	**4**	**15**		

(n) **Gender analysis for Employees and Board of Directors-continued**

31 December 2021	Male (Number)	Female (Number)	Total (Number)	Male (Percentage)	Female (Percentage)
Employees	72	65	137	48%	52%
Gender analysis of the Board and top management is as follows:					
Board	7	3	10	70%	30%
Top management	-	4	4	0%	100%
Detailed analysis of the Board and top management is as follows:					
Assistant General Manager	-	2	2	0%	100%
General Manager	-	2	2	0%	100%
Executive Directors	2	1	3	67%	33%
Non-executive Directors	5	2	7	71%	29%
Total	7	7	14		

(o) **Events after the reporting date**

As disclosed in Note 41 to the financial statements, there are no other significant events after the reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2022 and on its profit or loss and other comprehensive income for the year then ended.

(p) **Auditor**

Messrs. Ernst & Young , having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 of the Companies and Allied Matters Act, 2020 ("CAMA 2020"), therefore, the auditor will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

Elizabeth Idigbe
FRC/2013/NBA/00000002878
For: PUNUKA Attorneys & Solicitors
Company Secretary
14 March, 2023

Statement of Corporate Responsibility for the Financial Statements

For the year ended 31 December 2022

In line with the provision of S. 405 of CAMA 2020, we have reviewed the audited financial statements of the company for the year ended December 31 ,2022 and based on our knowledge confirm as follows:

i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading."

ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for the year ended December 31,2022."

iii) The company's internal controls has been designed to ensure that all material information relating to the company is received and provided to the Auditors in the course of the audit.

iv) The company's internal controls has been designed to ensure that all material information relating to the company is received and provided to the Auditors in the course of the audit.

v) That we have disclosed to the company's Auditors and the Audit Committee the following information:"

a) there are no significant deficiencies in the design or operation of the company's internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit.

b) there is no fraud involving management or other employees which could have any significant role in the company's internal control.

vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

March 14th, 2023

Mrs. Njum Onyemenam
Chief Financial Officer
FRC/2013/ICAN/00000001188

Mr. Moruf Apampa
Managing Director/CEO
FRC/2017/CIIN/00000016004

Statement of Directors' Responsibilities in Relation to the Preparation of The Financial Statements

For the year ended 31 December 2022

The Companies and Allied Matters Act, 2020 ("CAMA 2020") requires the Directors to prepare financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020 ("CAMA 2020"), the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020 ("CAMA 2020"), the Insurance Act 2003, relevant policy guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act No. 6, 2011.

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company as at, and of its total comprehensive income for the year ended 31 December 2022. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Dr Adesegun Akin-Olugbade,OON
Chairman
FRC/2021/003/00000024455

14 March,2023

Mr. Moruf Apampa
Managing Director/CEO
FRC/2017/CIIN/00000016004

14 March,2023

Corporate Governance Report

For the year ended 31 December 2022

Introduction

NSIA Insurance Limited ("NSIA" or "the Company") believes firmly that the implementation of the provisions of the National Insurance Commission (NAICOM) Corporate Governance Guidelines for Insurance and Reinsurance Companies 2021 ("the Guidelines") will protect the interest of the shareholders and other stakeholders whilst also enabling the Board and Management to direct and manage the affairs of the Company in a sustainable manner. The Company is therefore committed to implementing the best practice standards of corporate governance and the provision of the NAICOM Guidelines.

NSIA's core values of integrity, care, innovation, and professionalism are the bedrock upon which it continues to build its corporate culture.

To ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice in alignment with the various applicable Guidelines and Codes of Corporate Governance with reference to compliance, disclosures, and structure.

Corporate Governance Structure

The governance of the Company resides with the Board of Directors who is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board membership comprises of twelve (12) members which includes nine (9) Non-Executive Directors (inclusive of the Chairman) and three (3) Executive Directors.

The Board also reviews corporate performance, monitors the implementation of corporate strategy, and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict, and provides general direction to Management. These oversight functions of the Board of Directors are exercised through its various committees. In the year under review, the Board expanded its committees from three to four to ensure the proper oversight on various aspects of the company and good structuring in line with the requirements of the Nigerian Code of Corporate Governance.

Board Responsibilities

The Board performs the following functions

1. Sets the overall direction of the business
2. Designs and maintains good internal control
3. Approves the Company's strategic plans
4. Approves the appropriation and distribution of profits
5. Approves top management's terms of employment
6. Monitors and takes decisions on major risks facing the Company
7. Reviews and considers matters reserved for the general Board

Separation of the role of Chairman from the Chief Executive Officer

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. This is done in accordance with the provisions of the NAICOM Guidelines 2021 and Nigerian Code of Corporate Governance 2018.

The Chairman

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. He is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, monitor effectively and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Non-Executive Directors to promote effective relationships and open communications, both inside and outside the Boardroom, between Executive and Non-Executive Directors.

Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer (CEO), who is responsible for leading management and for making and implementing operational decisions. The CEO is responsible to the Board of Directors and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is always achieved and has the overall responsibility for the Company's financial performance.

Board Committees

The Board carries out its oversight function through its standing committees. Through these committees, the Board can more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The committees make recommendations to the Board, which retains responsibility for final decision making.

In the year under review, the Board proceeded to implement the recommendations on Committee composition from the Board evaluation conducted by Tsedaqah Attorneys for the 2021 financial year. The Board restructured the Committee compositions to ensure that executive directors are not members of the Committees charged with nominations, remunerations, and governance.

Corporate Governance Report

For the year ended 31 December 2022

Also, the Committees were re-structured to ensure that the Chairman in charge of the Committee which oversees remuneration is an independent non-executive director. The restructuring of the Committees led to a split of the Establishment, Risk, Management and Governance Committee into two Committee namely: The Enterprise and Risk Management Committee and the Nominations, Remunerations and Governance Committee. Additionally, the remuneration functions of the Finance, Investment and General-Purpose Committee was moved to the Nominations, Remunerations and Governance Committee while an independent non-executive director was appointed to act as the Chairman of the Committee.

The proposal for restructuring and re-composition of the Committee was brought forward by the then Chairman of the Establishment, Risk, Management and Governance Committee and was approved by the Board at its Q2, 2022 meeting held on June 28, 2022.

The Board's four standing committees are the Enterprise and Risk Management Committee, the Nominations, Remunerations and Governance Committee, the Finance, Investment and General-Purpose Committee, and the Audit and Compliance Committee.

A summary of the roles, responsibilities, composition as well as frequency of meetings of the board and each of the committees are as stated hereunder:

a. Enterprise and Risk Management Committee:

This Committee monitors risk, risk responses as well as the quality, integrity, and reliability of the risk management process in NSIA Insurance. The Committee is made up of five (5) members, four (4) of whom are non-executive directors, the Chairman being one of them, and one (1) executive director. The Committee held Two (2) meetings in 2022.

- August 2, 2022
- November 16, 2022

However, the Establishment, Risk, Management and Governance Committee held four (4) meetings in 2022 before the Committee was split.

- March 4, 2022
- March 31, 2022
- April 4, 2022
- June 20, 2022

b. Nominations, Remunerations and Governance Committee

This Committee is charged with the nominations, and remuneration responsibilities of the Board, as well as general governance of NSIA Insurance. It monitors the corporate governance, succession, and remuneration framework process in NSIA Insurance. The Committee is made up of four (4) members, all of whom are non-executive directors, including the Chairman. The Committee held Two (2) meetings in 2022.

- July 19, 2022
- November 18, 2022

c. Finance, Investment and General-Purpose Committee:

This Committee assists the Board in its financial oversight functions. It helps in conducting periodic reviews of management accounts, corporate finance, investment portfolio performance assessment, budgeting and budgetary control, capital investment appraisal and compliance with relevant accounting standards. The Committee is made up of five (5) members, three (3) of whom are non-executive directors, inclusive of the Chairman and two (2) Executive Director. The Committee held Four (4) meetings in 2022.

- March 7, 2022
- June 21, 2022
- August 4, 2022
- November 17, 2022

d. Audit and Compliance Committee

This Committee has an oversight responsibility on behalf of the Board in respect of the integrity of financial statements and reporting process, independence, and activities of the external and internal audit functions, effectiveness of the system of internal controls, accounting, and operating procedures, and ensuring compliance with legal and regulatory requirements. The Committee is made up of five (5) members who are non-executive directors. The Committee held Four (4) meetings in 2022.

- March 3, 2022
- June 22, 2022
- August 3, 2022
- November 25, 2022

Corporate Governance Report

For the year ended 31 December 2022

Board Committee Composition

The Board Committee Composition is as follows :

Name of Director	Role	Finance Investment & General-Purpose Committee	Entreprise & Risk Management Committee	Audit & Compliance Committee	Nominations Remuneration & Governance Committee	Total Number of Committee
Dr. Adesegun Akin-Olugbade	Chairman Independent Director	Non - Member	Non - Member	Non - Member	Non - Member	0
Mr. Moruf Apampa	Managing Director	Member	Non - Member	Non - Member	Non - Member	1
Mrs. Mansan Ehile	Non-Executive Director	Member	Non - Member	Non - Member	Member	2
Mrs. Helene Konian	Independent Non-Executive Director	Non - Member	Member	Non - Member	Member	2
Mr. Apollos O. Ikpobe	Independent Non-Executive Director	Non - Member	Non - Member	Member	Member	2
Mr. Chidi Ajaere	Independent Non-Executive Director	Member	Non - Member	Member	Non - Member	2
Mr. Matthieu Benjamin Aimé Lawson	Independent Non-Executive Director	Non - Member	Member	Non - Member	Member	2
Mr. Almamy K. Timite	Non-Executive Director	Member	Non - Member	Member	Non - Member	2
Mr. Sidy Faye	Non-Executive Director	Non - Member	Member	Member	Non - Member	2
Mr Adeola Adetunji	Independent Non-Executive Director	Non - Member	Member	Member	Non - Member	2
Mr. Abideen Musa	Executive Director	Non - Member	Member	Non - Member	Non - Member	1
Mr. Sunny Uwagboi	Executive Director	Member	Non - Member	Non - Member	Non - Member	1

Key

Non - Member

Member

Relationship with Shareholders

The Company has developed an efficient communication system with its Shareholders, and this has reinvigorated the confidence of the shareholders in the Company. The Company deals on a timely basis with all enquiries from shareholders which are communicated to the Board.

Conflict of Interest

To maintain high ethical standards for the conduct of its business, NSIA Insurance ensures that each director and employee discloses to the Board his or her interest in any other company within the insurance industry and in position where their self-interest conflicts with their duty to act in the best interest of the Company.

Social Responsibility

The Company has impacted on the lives of the less privileged, abandoned and stigmatized in the society through its support for the DownSyndrome Organization of Nigeria amongst others.

Financial Statements

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NSIA INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NSIA Insurance Limited ('the Company'), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NSIA Insurance Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NSIA INSURANCE LIMITED - Continued

Key Audit Matters- continued

Key Audit Matters	How the matter was addressed in the audit
<u>Adequacy of Valuation of Insurance Contract Liability</u> This is an area that involves significant judgement over uncertain future outcomes and therefore we considered it a key audit matter for our audit. The Company has insurance contract liabilities of N10.13 billion (Dec 2021: N8.17 billion), out of which included outstanding claims of N5.59 billion (Dec 2021: N4.82 billion) as at 31 December 2022 representing 55% (Dec 2021: 41%) of the Company's total insurance contract liabilities. The Company engaged an independent actuary to ensure the adequacy of the estimated outstanding claims and unearned premium which comprised the insurance contract liabilities by performing an actuarial valuation as at year end. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement. In addition, insurance contract liabilities are material, and sensitive to changes in key assumptions. See notes 3(q), 4.1 and 29 to the financial statements for the accounting policies, significant judgments and assumptions and relevant disclosures relating to insurance contract liabilities.	With the assistance of our in-house actuarial specialists, we reviewed the Company's independent actuarial reports by checking the parameters used in the models and assessing the reasonability and appropriateness of the following: i. Assumptions used in the valuation of the non- life insurance contracts by reference to company and industry data and expectations. ii. Assumptions used in the valuation of the Life insurance contracts by reference to company specific and industry data. Other key audit procedures included: i. assessing the reasonableness of management's process for estimating insurance contract liabilities; ii. performing an evaluation of key outstanding contracts to ensure the appropriateness of unearned premium income and outstanding claims at year end; and iii. checking claims paid after year end to ensure there was no understatement of claims. We checked the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with the International Financial Reporting Standards (IFRS) 4- Insurance Contracts and the required guidelines of National Insurance Commission (NAICOM).

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "NSIA Insurance Limited Audited Financial Statements for the year ended 31 December 2022", which includes the Corporate Information, Financial Highlights, Directors' Report, Statement of Corporate Responsibility for the financial statements, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NSIA INSURANCE LIMITED – Continued

Other Information- continued
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NSIA INSURANCE LIMITED - Continued

Auditor's Responsibilities for the Audit of the Financial Statements- Continued

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company in so far as appears from our examination of those books;
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Contraventions
The Company did not pay any penalties in respect of contraventions during the year ended 31 December 2022.

Abiodun Akinnusi
FRC/2021/004/00000023386
For Ernst & Young
Lagos, Nigeria
4 April 2023

Summary of Significant Accounting Policies

1 General information

NSIA Insurance Limited ("the Company"), formerly known as ADIC Insurance Limited was incorporated in Nigeria as a limited liability company domiciled in Nigeria. It was licensed on 18 April 1989 to carry on insurance business. The address of the Company's registered office is 3 Elsie Femi Pearse Street, Victoria Island, Lagos.

The Company is organized into two main divisions; short-term business (non-life/ general and group life) and long-term business (individual life). It provides insurance risk management and investment services to both private and corporate individuals. The long-term business relates to the underwriting of risks relating to death of an insured person, and includes contracts subject to the payment of premiums for a term dependent on the termination or continuance of the life of an insured person. Short-term business relates to all other categories of annual insurance business accepted by the Company such as those associated with loss or damage of property, loss of life, health, disability and liability insurance; these are analyzed into several sub-classes of insurance business based on the nature of the assumed risks. The Company also issues investment contract policies in the form of investment linked products to clients.

Shareholding structure

Participation Holdings SA (incorporated in Cote d'Ivoire) owns 96.36% of the share capital of NSIA Insurance Limited.

Authorization for issue

The financial statements of the Company were authorized for issue by the Board of Directors on 14 March, 2023

1.1 Going concern assessment

These financial statements have been prepared on the going concern basis. The Company has no intention nor need to reduce its business operations substantially. Management believes that the going concern assumption is appropriate for the Company due to sufficient solvency ratio and liquidity. Continuous evaluation of current ratios are being carried out by the Company to ensure that there are no going concern threats to the operations of the Company.

1.2 Summary of significant accounting policies

1.2.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.2.2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards(IFRSs)

The financial statements comply with the relevant provisions of Companies and Allied Matters Act, 2020 (""CAMA 2020""), Financial Reporting Council of Nigeria Act 2011, the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars.

The financial statements include the Statement of financial position, Statement of profit or loss and other comprehensive income, the Statement of changes in equity, the Statement of cash flows and related notes to the financial statements including summary of significant accounting policies.

(b) Functional and presentation currency

The financial statements are prepared in Naira, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months) is presented in the respective notes.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis except the following material items in the statement of financial position:

- Financial assets at fair value through other comprehensive income (FVTOCI)
- Land and building are carried at revalued amount
- Investment property are carried at fair value
- Insurance contract liabilities are actuarially valued in line with IFRS 4

Summary of Significant Accounting Policies

(d) Judgment, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2 New and amended standards

A New and amended standards and interpretations

(i) Onerous Contracts – Costs of Fulfilling a Contract –Ammendment to IAS 37

IAS 37, Provisions, Contingent Liabilities and Contingent Assets did not specify which costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous. Research conducted by the IFRS Interpretations Committee indicated that differing views on which costs to include could lead to material differences in the financial statements of entities that enter into some types of contracts.

In this project, the International Accounting Standards Board (Board) developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Board issued the amendments in May 2020. The amendments are effective for contracts for which an entity has not yet fulfilled all its obligations on or after January 1, 2022 with earlier application being permitted. However,this standard has been critically evaluated and the Company has come to a conclusion that this does not in any way impact on the financial statement of the entity.

(ii) Property, Plant and Equipment: Proceeds before Intended Use-Ammendments to IAS 16

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.The amendments are not expected to have an impact on the financial statements of the Company. "

(iii) Reference to the Conceptual Framework – Amendments to IFRS 3

On May 14, 2020, the IASB published Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3, Business Combinations that update an outdated reference in IFRS 3 without significantly changing its requirements.IFRS 3, Business Combinations specifies how an entity should account for the assets and liabilities it acquires when it obtains control of a business. IFRS 3 requires an entity to refer to the Conceptual Framework for Financial Reporting (Conceptual Framework) to determine what constitutes an asset or a liability.

Originally, IFRS 3 required an entity to refer to the version of the Conceptual Framework that existed when IFRS 3 was developed. The purpose of this project was to update IFRS 3 to require an entity to refer instead to a later version issued in March 2018.The amendments do not have a significant impact on the financial statements of the Company.

(iv) AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.The amendments do not have a significant impact on the financial statements of the Company.

(v) AIP IFRS 9 Financial Instruments-Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments do not have a significant impact on the financial statements of the Company."

(vi) AIP IAS 41 Agriculture – Taxation in fair value measurements

In 2008, the IFRS Board amended IAS 41 to remove the

Summary of Significant Accounting Policies

requirement to use a pre-tax discount rate when determining the fair value of a biological asset. However, the requirement to use pre-tax cash flows in paragraph 22 survived this amendment for no apparent reason. When IFRS 13 was issued in 2011, the Board consequentially amended IAS 41 to remove all the fair value measurement guidance except for paragraph 22, which contains specific requirements for the fair value measurement of biological assets. The amendments do not have a significant impact on the financial statements of the Company.

B New and amended standards that are not yet effective

A number of new standards, amendment to standards and interpretations are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not applied the following new or amended standards in preparing this financial statements. The Company does not plan to early adopt these standards. These will be adopted in the period that they become mandatory and applicable unless otherwise indicated. Those Standards, Amendments to Standards, and interpretations which we considered may be relevant to the Company are set below;

(i) IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short- duration which typically applies to certain non-life insurance contracts.

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

-Reinsurance contracts held;- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, re-measured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cashflows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

Summary of Significant Accounting Policies

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.The Company started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The impact assessment revealed that the application of this standard will have significant change in accounting policies for insurance contract liabilities of the company and on its profit and total equity together with the presentation and disclosures. Please see note 5.3 for the result of the impact assessment exercise carried out.

(ii) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The amendments are not expected to have an impact on the financial statements of the Company.

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

On 23 January 2020, the International Accounting Standards Board (IASB or the Board) issued amendments to IAS 1 Presentation of Financial Statements (the amendments) to clarify the requirements for classifying liabilities as current or non-current. More specifically:

(1) The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.

(2) Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.

(3)The amendments clarify the situations that are considered settlement of a liability.The new guidance will be effective for annual periods starting on or after 1 January 2023. This does not in any way would impact on the financial statements of the entity.

(iv) Definition of Account Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB published Definition of Accounting Estimates (Amendments to IAS 8) to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023.This does not in any way would impact on the financial statements of the entity.

(v) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

In May 2021 the Board issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2023.This does not in any way would impact on the financial statements of the entity.

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

The International Accounting Standards Board (IASB) has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023. With this ammended, an entity is now required to disclose its material accounting policy information instead of its significant accounting policies

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1

Summary of Significant Accounting Policies

This does not in any way would impact on the financial statements of the entity.

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

The IASB has issued narrow-scope amendments to requirements for sale and leaseback transactions in IFRS 16 explaining how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This does not impact on the financial statements of the entity.

3 Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are as set in this section and these policies have been consistently applied to all years presented, except for the effect of the changes in accounting policies as disclosed in Note 2B .

a Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the spot exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively) are charged to profit or loss . Foreign currency differences arising from the translation of investment in equity securities designated as at FVOCI are recognized in other comprehensive income.

b Financial instruments

A financial instrument is any contract that gives rise to financial asset in one entity and financial liability or equity instrument in another entity. The Company classifies non-derivative financial assets as indicated below:

Financial assets

i Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

ii Classification of financial assets

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets at initial recognition is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics (i.e. solely payments of principal and interest- SPPI test). With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets into the following measurement categories:

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

The Company classifies its financial liabilities at amortized cost.

Management determines the classification of the financial instruments at initial recognition.

Summary of Significant Accounting Policies

(a) Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to 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 its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

Transfer of financial assets to third parties in transactions that are not qualified for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(b) Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding (SPPI test)

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and 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 profit margin.

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding which may include reasonable additional compensation for early termination of contract.

Additionally, for financial assets acquired at a discount or premium to its contract par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual per amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Summary of Significant Accounting Policies

iii Subsequent measurement

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

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

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

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

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance.

The effective interest method is a method of calculating the amortized cost of a financial instrument (or Company of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

Fair value through other comprehensive income (FVOCI)

Debt instrument at FVOCI

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit and loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortized cost. The expected credit loss model is described further in Note 3(ii)

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest methods, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified into profit or loss.

Equity instruments

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

Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment.

Summary of Significant Accounting Policies

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'Net fair value gain/loss' in the profit or loss.

iv Reclassifications

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

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

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

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

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

v Impairment of financial assets

Overview of the Expected Credit Losses (ECL) principles

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

- Cash and Cash equivalents
- Trade receivables
- Other receivables
- Debt instrument at FVOCI
- Financial assets at amortised cost

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

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following cases, for which the amount recognized in 12-month ECL

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

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a regulatory no premium no cover impairment approach. The Company considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECL are the portion of ECL that results from default events that are possible within the 12 months after the reposting date.

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

Summary of Significant Accounting Policies

The calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive."

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

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

When estimating the ECLs, the Company considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company allocates its assets subject to ELC calculations into one of these categories, determined as follows:

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

Forward looking information
Based on the above process, the Company categorizes its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

• Stage 1(12mECL): The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

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

• Stage 3/impairment(LTECL): For debt instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

• POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR.

ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

Summary of Significant Accounting Policies

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Company would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1).

In addition to the 90 days probationary period above, the Company also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

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

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

Collateral valuation
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

• continued contact with the customer is impossible;
• recovery cost is expected to be higher than the outstanding debt;
• amount obtained from realization of credit collateral security leaves a balance of the debt; or
• it is reasonably determined that no further recovery on the facility is possible.
If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee.

There were no writeoffs over the periods reported in these financial statements.

Presentation of allowance for ECL in the statement of financial position

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Summary of Significant Accounting Policies

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• it is reasonably determined that no further recovery on the facility is possible.

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There were no writeoffs over the periods reported in these financial statements.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognized as income on a cash basis only.

Forward looking information

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

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

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 4 in the financial statements.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses and are measured as follows:

- financial assets that are not credit
-impaired at the reporting date: the present value of all cash shortfalls - i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive; and
- financial assets that are credit
-impaired at the reporting date: the difference between the gross carrying amount and the present value of the estimated future cash flows.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is credit-impaired 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 borrower or issuer or;
- a breach of contract, such as a default or past due events;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

Summary of Significant Accounting Policies

- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration of 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 investments in financial institution is credit impaired, the Company considers:-
The rating agencies assessment of credit worthiness of the financial institution.

Presentation of loss allowance in the statement of financial position

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

* Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
* The loss allowance on for debt instruments measured at FVOCI is measured on the same basis as for amortised cost but no loss allowance is recognised under the asset because the carrying amount of these assets is their fair value.

However, the loss allowance shall be recognised in Other Comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Fair value measurement

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

If a market for a financial instrument is not active, such that sufficient data are not available to measure fair value, then the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market observable inputs and minimising the use of unobservable inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

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

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

The Company measures financial instruments and non-financial assets such as investment properties at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are further disclosed.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

*In the principal market for the asset or liability, or
* In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured

Summary of Significant Accounting Policies

or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

*Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
*Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
* Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. The management, in conjunction with the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

For units in unit trusts and shares in open ended investment companies, fair value is determined by reference to published bid values in an active market. For other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques.

Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

(vii) Amortized cost concept

The amortized 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 amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

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

Summary of Significant Accounting Policies

asset or financial liability.

Interest revenue on financial assets not measured at FVTPL and other finance costs are presented in profit or loss include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis.

(viii) Derecognition of financial assets

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ix) Write off

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

Any subsequent recoveries are credited to impairment loss on financial assets. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

Financial liabilities

Classification of financial liabilities

The Company classifies its financial liabilities as measured at amortized cost.

The Company's financial liabilities are non-derivative financial liabilities and are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Initial recognition and measurement

Financial liabilities are classified at initial recognition, as trade payables and other payables as appropriate.

All financial liabilities are recognized initially at fair value. The Company's financial liabilities include trade payables, other accrual and payables

Subsequent Measurement

Subsequent measurement of financial liabilities depends on their classification.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Summary of Significant Accounting Policies

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by an IFRS accounting standard, or for gains and losses arising from a Company of similar transactions.

c Trade payables

Trade payables are recognized when due. These include amounts due to agents, brokers and insurance contract holders. 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 omitted.

d Other payables and accruals

Other payables and accruals on the statement of financial position comprise "accruals" and "other creditors". Other 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, the non - interest bearing liability is measured at the invoice amount as the impact of discounting is immaterial.

e Trade receivables

Trade receivables are recognized when due. These include amounts due from agents, brokers, insurance companies and insurance contract holders. The Company assesses at each reporting date whether there is objective evidence that a trade receivable is impaired. If there is objective evidence that the trade receivable is impaired, the carrying amount of the trade receivable is reduced accordingly through an allowance account and recognized as impairment loss in the statement of profit or loss. The fair value of a non-interest earning assets is its discounted settlement amount. If the due date is less than one year, discounting is omitted.

The Company gathers the objective evidence that a trade receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

f Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than three months, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

g Reinsurance assets

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Premium ceded comprises gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance assets are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract. The Company has the right to set off reinsurance payables against amounts due from reinsurers and brokers in line with the agreed arrangement between both parties.

Impairment of Reinsurance assets

The Company assesses its reinsurance assets for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit or loss. The Company gathers the objective evidence that a reinsurance asset is impaired

Summary of Significant Accounting Policies

using the same process adopted for financial assets measured at amortized cost. Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured.

Gains or losses on buying reinsurance are recognised in the statement of profit or loss immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

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

h Other receivables
Other receivables are made up of amounts receivable from third parties which are not directly related to insurance or investment contracts, except prepayment and other receivables that are not financial assets, these are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial.

Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.

i Prepayments
Prepayments represent prepaid expenses and are carried at cost less accumulated amortization.

j Deferred commission income and deferred acquisition costs
Commissions earned and payable are recognized in the period in which relevant premiums are written. A proportion of commission payable is deferred and amortized over the period in which the related premium is earned. Deferred acquisition costs represent the proportion of acquisition costs which corresponds to the unearned premium and are deferred as an asset and recognized in the subsequent period. The deferred commission for reinsurers are amortised in the same manner as the underlying asset amortisation and is recorded in the statement of profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss. DAC are also considered in the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed of.

k Investment properties
Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

i Recognition and measurement
Investment properties are initially measured at cost, including all transaction costs. Subsequently, 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 are included in profit or loss in the period in which they arise.

In an active market, an independent valuer, holding a recognized and relevant professional qualification and with recent experience in the location and category of investment property being valued, values the portfolio annually.

ii De-recognition
Investment properties are derecognized either when

Summary of Significant Accounting Policies

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

iii 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 Company accounts for such property in accordance with the accounting policy on property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

iv Disposal

A gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

l Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is measured at cost less accumulated amortization and impairment losses. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite

i Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

ii Amortization

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

iii Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

m Property and equipment

I Recognition and measurement

All categories of property and equipment are initially measured at cost.

Land and building are measured subsequently using revaluation model at the end of the financial period. Any increase in the value of the assets is recognized in other comprehensive income and accumulated in equity classified as assets revaluation reserve, unless the increase is to reverse a decrease in value previously recognized in profit or loss, whereby the increase will be recognized in profit or loss. A decrease in value of land and building as a result of revaluation will be recognized in profit or loss, unless the decrease is to reverse an increase in value previously recognized in other comprehensive income, whereby the decrease will be recognized in other comprehensive income.

Summary of Significant Accounting Policies

Other items of property and equipment (computer hardware, furniture and office equipment, motor vehicle and leasehold improvement) are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii Subsequent costs

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

iii Depreciation

Depreciation is calculated to write-off the cost/ revalued amounts of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognized or classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership at the end of the lease term.

The estimated useful lives for the current and prior period are as follows:

Leasehold improvement	over the unexpired lease term
Buildings	50 years
Computer equipment	5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	4 years
Capital work-in-progress	Not depreciated
Land	Not depreciated

Capital work-in-progress relates to assets that have been paid for or that are still under construction but not yet readily available for use as at the reporting date.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of the reporting period.

iv Items on each class of property and equipment are reviewed on an annual basis to ensure proper classification of such items.

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) charged to profit or loss is derecognised.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset. For assets excluding goodwiill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of

Summary of Significant Accounting Policies

the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

n Statutory deposits

Statutory deposits represent 10% of the minimum capital required by the NAICOM to be deposited with the Central Bank of Nigeria in pursuant to Section 10(3) of the Insurance Act of Nigeria. Statutory deposit is measured at cost. Interest income on the deposit is charged to profit or loss in the period the interest is earned

o Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk and are therefore treated as financial instruments under IFRS. Financial risk is the risk of a possible 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.

p Investment contract liabilities

Investment contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in profit or loss. The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

Interest accruing to the assured from investment of the savings is recognized in profit or loss in the period it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to profit or loss. The insurance risk, related to the investment contract, is measured as an insurance contract liability and in included in the liability adequacy test.

q Insurance contracts

i Classification

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

The Company issues contracts that transfer insurance risk or financial risk or both.

Insurance Contracts

Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature (DPF). These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 . As a general guideline, the Company defines as significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

A number of insurance and investment contracts contain a discretionary feature. This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

Summary of Significant Accounting Policies

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

Insurance contracts and investment contracts are classified into two main categories, depending on the duration of risk and whether or not the terms and conditions are fixed. These are long term and short term insurance contracts.

(a) Long-term insurance contracts

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

Life insurance contracts insure events associated with human life (for example, death or survival). These are divided into the individual life, group life and annuity contracts. Individual life contracts are usually long-term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months and as such are categorised as shortterm insurance contracts. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

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

(b) Short term insurance contracts

Short term insurance contracts are insurance business with a duration of one year, although some specialized insurance contracts (such as Construction All Risk and Erection All Risk) may exceed one year period.

(i.) Group Life business

Group life insurance policy covers members of a Company. The Group could be employees, members of a club, society, association, church, mosque etc. It provides financial compensation in the event of death of a member of the Company.

(ii.) General insurance business

General insurance business means insurance business of any class or classes not being long term insurance business. These contracts are accident and casualty and property insurance contracts. Accident and casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use. the insured properties in their business activities (business interruption cover): Classes of general insurance include:

- Fire insurance business

Summary of Significant Accounting Policies

- General accident insurance business;
- Motor vehicle insurance business;
- Marine and aviation insurance business;
- Oil and gas insurance business;
- Engineering insurance business;
- Bonds credit guarantee and surety-ship insurance business; and
- Miscellaneous insurance business

For all these contracts, premiums are recognized proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the end of reporting date is reported as the unearned premium liability.

Premiums are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

Claims and loss adjustment expenses are recognized to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

(iii.) NSIA Health Insurance;
NSIA Health Insurance is a collaboration between leading African insurance companies and one of the largest health insurers in the world. NSIA, Hollard and Cigna share a common desire to provide health insurance for local companies who want to insure key resources and multinationals looking to harmonize their health insurance across Africa. It is a full health insurance plan providing different levels of cover in five (5) geographic areas:

- Area 1; Africa
- Area 2 – Africa Plus (Africa and including India, Pakistan, Sri Lanka, Lebanon and Bangladesh);
- Area 3 – Europe (including Africa, India, Pakistan, Sri Lanka, Lebanon and Bangladesh)
- Area 4 – Worldwide excluding the United States of America
- Area 5 – Worldwide

ii Recognition and measurement of insurance contracts

Premium income is recognized on assumption of risks by the company.

Gross premiums

Gross written premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. These are shown gross of any taxes or duties levied on premiums.

Gross premium income

Gross premium earned includes estimates of premiums earned but not yet received, less unearned premium.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Reinsurance

The Company cedes premium through reinsurance in the normal course of business for the purpose of limiting its net loss potential through the transfer of its risks. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Premiums ceded, claims recovered and commission received (including gain or loss on buying reinsurance) are presented in the Statement of profit or loss and other comprehensive income and Statement of financial position separately from the gross amounts.

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

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that the event has a reliably measurable impact on the amounts the Company will receive from the reinsurer.

Reinsurance Commission
This relates to commissions receivable on outwards reinsurance contracts which are deferred and amortized on a straight-line basis over the term of the expected premiums payable.

Summary of Significant Accounting Policies

Claims and policyholder benefits payable

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

For general insurance business, claims incurred comprise claims and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims.

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

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

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

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

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

iii Insurance contracts liabilities

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

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relates to the unexpired terms of policies in force at the end of reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

Reserve for unexpired risk

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

Outstanding claims provision
Provision for outstanding claims is made for the estimated cost of all claims notified but not settled at the reporting date using the best information available.

Incurred but not reported claims provision
These are specific estimates arriving from actuarially determined liability adequacy test.This represents specific additional liabilities to cover the claims for incidents which have happened, but have not been reported to the Company.

Liability adequacy test

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

r Provisions, contingent liabilities and assets
Provisions are liabilities that are uncertain in amount and timing. A provision is recognized if, as a result of a

Summary of Significant Accounting Policies

past event, the Company has a present obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 Company or the Company has a present obligation as a result of a past event. It is not recognized because it is not likely 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 is not likely to occur.

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 Company. Contingent assets are not recognized as assets in the statement of financial position but may be disclosed if inflow of economic benefits is probable.

s Employee benefits

Short-term benefits
Wages, salaries, annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses in the statement of profit or loss and paid in arrears when the associated services are rendered by the employees of the Company.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Staff incentives

A provision is recognized for the amount expected to be paid under short-term cash, bonus or profit-sharing plans if the Company 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.

The Company recognizes a liability and an expense for bonuses, based on a proportion that takes into consideration the profit attributable to the Company's shareholders after certain adjustments.

Retirement obligation & Post-employment benefits

Defined contribution plans
The Company operates a defined contributory pension scheme for eligible employees. Company and its employees contributes 10% and 8% respectively of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014. The Company pays the contributions to a pension fund administrator. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

t Deposit for shares

This relates to amount of money or assets received in advance for the acquisition and subsequent allotment of the company's equity share capital.Where the shareholders deposited for the equity of the entity and the necessary allotment of shares or share certificates have not been issued by the company due to authorization and approval from regulatory bodies, such deposit shall remain a liability until the allotment is done, when the obligation is converted into equity.

Summary of Significant Accounting Policies

u Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Income tax

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects the uncertainty related to income taxes, if any. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current income tax tax payable or receivable also include adjustments for tax expected to be payable or recoverable on the taxable income or loss for the year and any adjustment to the taxable payable or receivable in respect of previous periods. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate on the basis of amounts expected to be paid to the tax authorities . Tax/back duty assessments are recognized when assessed and agreed to by the Company with the Tax authorities, or when appealed, upon receipt of the results of the appeal.

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:
* When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
* In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Police Fund Levy: The Nigerian Police Trust Fund Act was passed by the National Assembly in April 2019, and signed into law by the President on 24 June 2019. This Act establishes the Nigeria Police Trust Fund (Trust Fund) to provide funds for, inter alia, the training and welfare of personnel of the Nigeria Police Force. The Act imposes a levy of 0.005% of the “net profit” of companies ‘operating business’ in Nigeria"

ii. Minimum tax

Minimum tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of those years. The Company is subject to minimum tax based on the new Finance Act 2020, which was signed into law on 13 January 2020 and contains various tax changes with effect from 13 January 2020. Under the new tax regime, Minimum tax is pegged at a flat rate of 0.5% of turnover, which would be applicable to companies with no total profit or whose computed tax is less than the minimum tax. Franked investment income will be excluded for the purpose of the minimum tax computation. 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.

However, the outbreak of Covid-19 pandemic during the year 2020 resulted in global production shutdown and supply chain disruptions. This had an adverse impact on various businesses in different sectors of the economy. Consequently, governments all over the world offered palliatives in the form of tax breaks and incentives to taxpayers at various levels.

In a bid to grant similar palliatives to taxpayers, the Federal Government of Nigeria (FGN) via the Finance Act 2020 introduced a 50% reduction in minimum tax rate from 0.5% of gross turnover less franked investment income to 0.25%. The reduced minimum tax rate is however applicable for the Years of Assessment (YOA) due from 1 January 2020 to 31 December 2021.

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.

Summary of Significant Accounting Policies

iii. Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized for unused tax losses, unused tax credits and deductible temporary difference, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. 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 realized. Such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, except:When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

v Equity

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. The issued ordinary shares of the Company are classified as equity instruments Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments, net of tax as a deduction from the proceeds.

Share premium

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

Statutory contingency reserve

The Company maintains contingency reserve for the non-life business in accordance with the provisions of Section 21 of the Insurance Act of Nigeria to cover fluctuations in securities and valuations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after tax; until the reserve reaches the greater of minimum paid up capital or 50% of net premium. For the life business, the Company maintains contingency reserve at the rate equal to the higher of 1% of gross premium or 10% of the profit; accumulated until it reaches the amount of the minimum paid up capital.

Asset revaluation reserve

Revaluation reserve represents the fair value differences on the revaluation of items of property and equipment as at the statement of financial position date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation,the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any

Summary of Significant Accounting Policies

credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed. The amount of the surplus transfered is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss

Fair value reserve

Fair value reserve represents increases or decreases in fair value of debt and equity instruments measured at FVOCI reported directly in other comprehensive income. Gains and losses on the equity instruments are never recycled to profit or loss. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised. Gains and losses on the debt instrument are recycled to profit or loss when the relevant debt securities are derecognised.

Retained earnings

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

Dividend

Dividend on ordinary shares are recognized and deducted from equity when they are approved by the Company's shareholders, while interim dividends are deducted from equity when they are paid. Dividend for the year that are approved after the reporting date are disclosed as an event after reporting date.

w Revenue Recognition

Insurance Premium Revenue

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Gross premium income include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Fees and Commission Income

Reinsurance commission income represents commission received on direct business and transactions ceded to re-insurance during the year. It is recognized over the cover provided by contracts entered into the period and are recognized on the date on which the policy incepts.

Investment Income

Investment income comprise of interest income and dividend income.

Interest Income

Interest income for interest bearing financial instruments, are recognized within 'investment income' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset taking into consideration the contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate.

Dividend Income

Dividend income is recognized in profit or loss when the

Summary of Significant Accounting Policies

Company's right to receive payment is established.

Other Income

Other income represents income generated from sources other than premium revenue and investment income. It includes management fees which are fees generated from advisory services rendered. Income is recognized when payment is received.

x **Expense recognition**

Gross benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including: internal and external claims handling costs that are directly related to the processing and settlement of claims. Death claims and surrenders are recorded on the basis of notifications received. General insurance claims include all claims occurring during the year, whether reported or not, related internal nd external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract

Underwriting expenses

Underwriting expense includes acquisition costs and maintenance expense. Acquisition costs comprise all direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies. All underwriting expenses are recognized in consonance with the period of insurance cover from which they accrue.

Commission and charges for interest bearing financial instruments, are recognized within 'interest expense' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or where appropriate, a shorter period) to the net carrying amount of the financial instrument. The effective interest rate is calculated on initial recognition of the financial instrument taking into consideration the contractual terms of the financial instrument, but not future credit losses.

Management expenses

Management expenses are accounted for on accrual basis and charged to profit or loss upon utilization of the service or at the date of origination. They are expenses other than claims, investments and underwriting expenses and include employee benefits, Professional fees, depreciation charges and other operating expenses.

y **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee: The Company applies a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-ofuse assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities; At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and

Summary of Significant Accounting Policies

amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases: The Company applies the short-term lease recognition exemption to its short-term leases of buildings and space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor: Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

z Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.For management purpose, the Company is organized into business units based on the products and services offered and has two reportable operating segments as follows:

- Life business - the life insurance segment offers a whole range of life insurance products such as group life, whole life, term assurance, endowment, annuity, etc. - Non-life business
- the non-life insurance products include motor, fire, general accident, engineering, bond, marine and oil and gas.

aa Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

In thousands of Naira	Notes	2022	2021
Gross premium written	6	18,017,227	13,703,336
Change in unearned premium	6.1	(1,194,369)	(1,028,484)
Gross premium income		16,822,858	12,674,852
Reinsurance expenses	6.1	(7,964,242)	(5,832,590)
Net premium income	6.1	8,858,616	6,842,262
Fees and commission income on insurance	6.2	1,120,499	980,428
Net underwriting income		**9,979,115**	**7,822,690**
Claims expenses:			
Gross benefits and claims incurred	8	(8,813,406)	(6,724,432)
Movement in life fund	29 (b)(iii)	250,589	(262,444)
Benefits and claims recoverable from reinsurers	9	3,878,449	3,216,569
		(4,684,368)	**(3,770,307)**
Underwriting expenses:			
Acquisition expenses	10	(2,722,203)	(1,909,913)
Maintenance expenses	11	(567,164)	(472,904)
		(3,289,367)	**(2,382,817)**
Underwriting profit		2,005,381	1,669,566
Profit on deposit administration	7	26,409	3,539
Net investment income	12	1,494,101	1,180,394
Other income	13(a)	844,258	249,530
Fair value gain on investment property	13(b)	730	3,359
Loss on disposal of investment property	13(b)	-	(128)
Credit loss reversal /(expense) on financial assets	14	67,934	(3,984)
Personnel expenses	15(a)	(1,576,379)	(1,361,333)
Other operating expenses	15(b)	(1,883,893)	(1,377,749)
Profit before income tax		978,541	363,194
Income tax expense	34	(105,069)	(81,276)
Profit after income tax		**873,472**	**281,918**
Other comprehensive income			
Items within OCI that may be reclassified to the profit or loss:			
Net fair value (loss) or gain on debt instruments at FVOCI*	18(b)	-	(28,556)
Fair value gain on matured Financial instrument measured at FVOCI*	18(b)	-	4,578
Changes in allowance for expected credit losses on debt instruments at FVOCI*	14	-	(1,900)
Items within OCI that will not be reclassified to the profit or loss:			
Property and equipment revaluation gains (net of tax)	35.3	27,036	41,903
Net fair value gain on equity instrument at FVOCI(net of tax)	18(b)	50,364	91,091
Total other comprehensive income net of tax		77,400	107,116
Total comprehensive income for the year		**950,872**	**389,034**
Earnings per share			
Basic and diluted earnings per share (kobo)	16	5	2

**This relates to items/transactions that are tax exempted*
The accompanying significant accounting policies and notes to the financial statements form an intergral part of these financial statements.

Statement of Financial Position

As at 31 December 2022

In thousands of Naira	Notes	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents	17	2,080,662	2,661,134
Financial assets	18	16,341,736	14,096,358
Trade receivables	19	339,536	287,981
Reinsurance assets	20	4,572,298	3,216,656
Other receivables and prepayments	21	178,519	183,235
Deferred acquisition costs	22	544,097	328,447
Investment property	23	247,030	246,300
Intangible assets	25	4,410	8,820
Property and equipment	26	3,483,207	3,573,679
Statutory deposits	27	900,400	900,400
Total assets		**28,691,895**	**25,503,010**
Liabilities			
Investment contract liabilities	28	155,113	226,696
Insurance contract liabilities	29	10,129,034	8,169,319
Trade payables	30	1,002,757	1,262,948
Other payables and accruals	31	1,662,597	1,094,508
Deferred commission income	32	227,449	181,321
Deposit for shares	33	226,344	226,344
Deferred tax liabilities	24	601,764	593,091
Current tax liabilities	34.2	95,665	108,483
Total liabilities		**14,100,723**	**11,862,710**
Equity			
Share capital	35.1	9,000,000	9,000,000
Statutory contingency reserve	35.2	2,755,766	2,360,045
Asset revaluation reserve	35.3	1,827,113	1,800,077
Fair value reserve	35.4	124,282	73,918
Retained earnings	35.5	884,011	406,260
Total equity		**14,591,172**	**13,640,300**
Total liabilities and equity		**28,691,895**	**25,503,010**

These financial statements were approved by the Board of Directors on 14th March 2023 and signed on its behalf by:

Dr Adesegun Akin-Olugbade,OON
Chairman
FRC/2021/003/00000024455

Mr. Moruf Apampa
Managing Director/CEO
FRC/2017/CIIN/00000016004

Mrs. Njum Onyemenam
Chief Financial Officer
FRC/2013/ICAN/00000001188

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

Statement of Changes in Equity

For the year ended 31 December 2022

For the year ended 31 December 2021

In thousands of Naira	Share capital	Statutory contingency reserve	Asset revaluation reserve	Fair value reserve	Retained earnings	Total
As at 1 January 2021	9,000,000	2,069,045	1,758,174	8,705	676,342	13,512,266
Total comprehensive income for the year						
Profit for the year	-	-	-	-	281,918	281,918
Other comprehensive income						
Fair value changes of FVOCI financial assets (see note 35.4)	-	-	-	60,635	-	60,635
Fair value gain on matured Financial instrument measured at FVOCI(see note 35.4)	-	-		4,578	-	4,578
Property and equipment revaluation gains(net of tax) (see note 35.3)			41,903			41,903
Total comprehensive income for the year	**-**	**-**	**41,903**	**65,213**	**281,918**	**389,034**
Transfer between reserves	-	291,000		-	(291,000)	-
Transactions with owners, recorded directly in equity						
Dividends paid to ordinary equity shareholders during the year(See note 36).	-	-	-	-	(261,000)	(261,000)
Total contribution by and distribution to equity holders	**-**	**291,000**	**-**	**-**	**(552,000)**	**(261,000)**
As at 31 December 2021	**9,000,000**	**2,360,045**	**1,800,077**	**73,918**	**406,260**	**13,640,300**
For the year ended 31 December 2022						
As at 1 January 2022	9,000,000	2,360,045	1,800,077	73,918	406,260	13,640,300
Total comprehensive income for the year						
Profit for the year	-	-	-	-	873,472	873,472
Other comprehensive income						
Fair value changes of FVOCI financial assets (see note 35.4)	-	-	-	50,364	-	50,364
Property and equipment revaluation gains(net of tax) (see note 35.3)			27,036			27,036
Total comprehensive income for the year	**-**	**-**	**27,036**	**50,364**	**873,472**	**950,872**
Transfer between reserves	-	395,721	-	-	(395,721)	-
Transactions with owners, recorded directly in equity						
Dividends paid to ordinary equity shareholders during the year	-	-	-	-	-	-
Total contribution by and distribution to equity holders	**-**	**395,721**	**-**	**-**	**(395,721)**	**-**
As at 31 December 2022	**9,000,000**	**2,755,766**	**1,827,113**	**124,282**	**884,011**	**14,591,172**

The accompanying significant accounting policies and notes to the financial statements. form an intergral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

In thousands of Naira	Note	2022	2021
For the year ended 31 December 2022			
Operating activities:			
Insurance premium received	42.1	17,959,649	13,711,481
Reinsurance premium paid	42.2	(8,328,149)	(5,953,621)
Prepaid minimum and deposit reinsurance at year end	20(b)	-	(50,951)
Reinsurance commission received	42.3	1,166,627	1,037,260
Insurance benefits and claims paid	42.4	(7,797,471)	(6,133,304)
Deposit received from deposit admin	42.5	112,615	200,352
Withdrawal claims from deposit admin	42.5	(186,493)	(183,425)
Reinsurance claims received	42.6	2,727,018	2,609,069
Received from reinsurance recoverable on paid claims (Health Insurance)	20(f)	90,919	(90,919)
Commission paid	42.7	(3,031,772)	(1,863,012)
Maintenance expense paid	42.8	(567,164)	(472,904)
Direct bank deposit	31(b)	828,470	698,229
Cash paid to employees, intermediaries and other suppliers	42.9	(3,540,706)	(2,613,436)
Other income received	42.9(a)	175,353	30,987
Net cash received from co-insurers on claims paid	43.5	1,018	(97,739)
		(390,086)	828,068
Tax paid during the year	34	(117,814)	(72,532)
Net cash flows (used in)/from operating activities		**(507,900)**	**755,536**
Investing activities:			
Interest income received	43.0	194,271	151,237
Dividend received	43.1	4,045	10,014
Proceeds from disposal of property and equipment	43.2	358,421	33,731
Proceeds from disposal of investment property	43.3	-	6,146
Purchase of financial assets	43.4(a)	(3,093,867)	(2,129,685)
Proceeds from sale/redemption of financial assets	43.4(b)	2,744,134	1,827,939
Purchase of property and equipment	26	(341,647)	(130,058)
Net cash flows used in investing activities		**(134,643)**	**(230,675)**
Financing activities:			
Dividend paid	43.8	-	(34,656)
Net cash flows used in financing activities		-	**(34,656)**
Net (decrease)/increase in cash and cash equivalents		(642,542)	490,204
Effect of exchange rate differences on cash and cash equivalent	43.7	59,245	95,876
Cash and cash equivalents at beginning of year		2,671,460	2,085,380
Cash and cash equivalents at end of year	17(a)	**2,088,163**	**2,671,460**

The accompanying significant accounting policies and notes to the financial statements form an intergral part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2022

4 Critical accounting estimates and judgments

The preparation of 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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 recognized prospectively.

Information about significant areas of estimation uncertainties 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 Valuation of insurance contract liabilities

Long term insurance contract liabilities

The liability for long term insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortized to the income statement over time. If the assumptions relating to future profitability of these policies are not realized, the amortization of these costs could be accelerated and this may also require additional impairment write-offs to the income statement.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Company bases mortality on standard industry rates published in the A67/70 - Life mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style, which could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing long term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation if appropriate.

Lapse and surrender rates are based on the Company's historical experience of lapses and surrenders.
Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.
The valuation of the long term insurance contract liability was done by Zamara Ltd using the gross premium method of valuation.

The carrying value at the reporting date of long term insurance contract liabilities is ?10.12 Billion (2021: ?8.17 Billion) (see note 29 for details) and of investment contract liabilities is ?155.1 million (2021: ?226.7 million) (See note 28 for details).

Sensitivity analysis has been included in note 5.4.1.

Notes to the Financial Statements

For the year ended 31 December 2022

Short term insurance contract liabilities
For short term insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a period of time before the ultimate claims cost can be established with certainty. An assessment is also performed to confirm if an additional reserve is required to be held if the unearned premium reserve is inadequate to cover all the future expected claims cost. Unearned premium (UPR) is assessed on a time apportioned basis.

The ultimate cost of outstanding claims is estimated by using one of the range of standard actuarial claims projection techniques - Chain Ladder method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Liability Adequacy Test (LAT) was carried out by Zamara Consulting Actuaries Nig Ltd. Loss Ratio Method was used for this purpose. The Loss Ratio method results in the estimation of ultimate claims by allowing for the incorporation of expected experience to date and the average assumed Ultimate Loss Ratio.

The estimate of ultimate claims is then calculated as:
Average ultimate loss ratio assumedMultiplied by: earned premium for the accident years

The IBNR is arrived at by subtracting the claims paid to date and the outstanding claims as well.

Assumptions underlying the Loss Ratio method

An estimate of the average ultimate loss ratio needs to be assumed. Zamara used the average incurred and paid to date loss ratios that have been experienced to date in previous accident years.

Although Zamara did conduct a reasonability check on the loss ratios by comparing the loss ratios to industry figures, if the loss ratio is not indicative of future experience, the calculated outstanding claims may be under-/over-estimated.

It is worth noting that claim amounts have not been adjusted for inflation explicitly. However, owing to the methodology used, inflation is implicitly included in the analysis.Further, no allowance has been made for discounting as the claims run-off is generally assumed to be relatively short-tailed. This is a prudent assumption which may be revised in the future with the introduction of IFRS 17, formerly IFRS 4 Phase II, which will lead to some fundamental differences in current accounting practices in both liability measurement and recognition of profits.

The nature of the claims in the Oil and Gas class (low frequency and high severity) meant that an exposure-based method i.e. the Loss Ratio method was more appropriate than triangulation.

Life insurance contract liabilities
Life insurance liabilities are recognised when contracts are entered into and premiums are charged.These liabilities are measured using the net premium method. The liability is determined as the sum of the discounted value of the expected

Notes to the Financial Statements

For the year ended 31 December 2022

future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case, a margin for risk and adverse deviation is generally included. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and premium deficiency, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss in 'Gross change in contract liabilities'. Profits originated from margins for adverse deviations on run-off contracts are recognised in the statement of profit or loss over the life of the contract, whereas losses are fully recognised in the statement of profit or loss during the first year of run-off. The liability is derecognised when the contract expires, is discharged or cancelled.The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. The uncertainty arises because all events affecting the ultimate settlement of the claims have not taken place and may not take place for some time.Changes in the estimate of the provision may be caused by receipt of additional claim information,changes in judicial interpretation of contract, or significant changes in severity or frequency of claims from historical records. The estimates are based on the company's historical data and industry experience. The ultimate claims liability computation is subjected to a liability adequacy test by an actuarial consultant using actuarial models.The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged and is brought to account as premium incomeover the term of the contract in accordance with the pattern of insurance service provided under the contract."

Non-life insurance contract liabilities

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

4.2 Income tax exposure

Current tax

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2022

The Directors have adopted (a) and (b) above as 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.

4.3 Deferred tax assets and liabilities

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

As at year end, the Company recorded deferred tax liabilities of ?601.7 million (2020: ?588 million).

4.4 Impairment of financial assets

Allowances for credit losses

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

The significant estimates and judgments applied in assessing the impairment on investment securities are as shown in note 3(b)(v) of Summary of accounting policies.

4.5 Fair value measurement

4.5.1 Financial assets

i. Valuation of unquoted securities

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using prices of recent transactions. Where such information is not available, the investments are valued based on various valuation techniques and methods. The valuation techniques include the following: -Adjusted Net asset value - This model determines the value of an equity investment by subtracting the total liability of the entity from its total asset. The price per share of the equity is thus the net asset value divided by the entity's total outstanding shares, as at the date of the valuation. - Dividend discount model - This model is based on the premise that the price of a stock is the sum of the discounted value of all its future dividends. - Discounted cash flow model - This method discounts future free cash flow projections to estimate present value of an entity. This valuation method is based on multiple assumptions such as the amount of future cash flows, timing of the cash flows, cost of capital and growth rate. Even a small change in a simple assumption can result in very different valuation result.

ii. Valuation of quoted securities

The fair value of financial instruments where active market price exists are determined by applying the market price on the last trading day of the financial year.

4.5.2 Non-financial assets

iii. Valuation of land and building

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Company's land and buildings.

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For the year ended 31 December 2022

iv. Valuation of investment properties

The Company's investment property is held for the purpose of capital appreciation and rental income generation. The valuation of investment properties is based on the price for which comparable land and properties are being exchanged hands or are being marketed for sale. Therefore, the market-approach Method of Valuation. By nature, detailed information on concluded transactions is difficult to come by. The past transactions and recent adverts are being relied upon in deriving the value of the subject properties. Atleast, three properties will be analysed and compared with the subject property. The Company's investment property was revalued by an external, independent valuer on 31 December 2022 using the comparative approach method of valuation to arrive at the open market value as at 31 December 2022. Fair value gains have been recognized in the statement of profit or loss and other comprehensive income in line with the fair value model of IAS 40.

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For the year ended 31 December 2022

5 Capital Management

5.1 Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- maintain the required level of stability of the Company thereby providing a degree of security to policyholders;
- allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet
  the requirements of its capital providers and of its shareholders;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- align the profile of assets and liabilities, taking account of risks inherent in the business;
- maintain financial strength to support new business growth and satisfy the requirements of the policyholders, regulators and other stakeholders;
- maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company's operations are also subject to regulatory requirements of the National Insurance Commission (NAICOM). Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Company's capital management policy is to hold sufficient capital to cover the statutory requirements based on NAICOM directives, including any additional amounts required by the regulator.

In reporting financial strength, capital and solvency are measured using the rules prescribed by NAICOM. These regulatory tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of assets held.

5.2 *Approach to capital management*

The primary source of capital used by the Company is equity shareholders' funds. The Company's capital management strategy focuses on the creation of shareholders' value while meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfy regulators.

The adequacy level of capital determines the degree of confidence that stakeholders (suppliers, clients, investors, depositors and counterparties) would have in a business. Hence, the Company ensures that adequate capital exists to buffer the following:

- absorb large unexpected losses;
- protect clients and other creditors;
- provide confidence to external investors and rating agencies;
- support a good credit rating; and
- run operations of the Company efficiently and generate commensurate returns.

Risk appetite is expressed quantitatively using the following metrics:
- Solvency margin = Total admissible assets minus total admissible liabilities;
- Debt-to-capital ratio = Total debt/Capital
- Shareholders equity ratio = Shareholders equity/total asset.

The capital management process is governed by the board of directors who has the ultimate responsibility for the capital management process. The board of directors is supported by the Enterprise Risk Management (ERM) committee, Risk management department, and Financial Control department whom all have various inputs into the capital management process.

The capital management process involves establishing the methodology for determining and maintaining an appropriate quantity and quality of capital and solvency. The capital adequacy and solvency regime comprises the:

Notes to the Financial Statements

For the year ended 31 December 2022

- valuation of liabilities (including liability adequacy test);
- requirements on assets, including requirements for valuation of assets and regulatory distribution of assets;
- definition of appropriate forms of capital; and
- required solvency margin

The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years

5.2 Approach to capital management
Compliance with statutory solvency margin requirement

The Company at the end of the 31 December 2022 financial year maintained total admissible assets of N26.75Billion (31 Dec 2021: N22.97Billion) which exceeded the total liabilities of N13.50Billion (31 Dec 2021: N11.26Billion) by N13.25billion (31 Dec 2021: N11.70billion). The solvency margin was computed in line with the requirements of Section 24 of the Insurance Act of Nigeria, latest NAICOM guidelines and the regulatory requirements in the IFRS harmonization carve-outs issued by NAICOM. This showed a solvency margin of 265% (2021: 234% of the minimum requirement which is the higher of 15% of net premium (N1.328 Billion) (2021: N1.208 Billion) or the minimum capital base of N5billion for Life and Non-life insurance businesses. Thus, the Company's solvency margin as above met adequately the regulatory minimum solvency requirement.

The Company maintains economic capital levels sufficient to meet internal capital needs.

The Solvency Margin for the Company as at 31 December 2022 is as follows:

In thousands of Naira	Total N'000	Admissible N'000	Inadmissible N'000
Assets			
Cash and cash equivalents	2,080,662	2,080,662	-
Financial assets	16,341,736	16,341,736	-
Trade receivables	339,536	167,921	171,615
Reinsurance assets	4,572,298	4,572,298	-
Other receivables and prepayments	178,519	-	178,519
Deferred acquisition costs	544,097	544,097	-
Investment property	247,030	-	247,030
Intangible assets	4,410	4,410	-
Property and equipment	3,483,207	2,142,682	1,340,524
Statutory deposits	900,400	900,400	-
Total assets (A)	**28,691,895**	**26,754,207**	**1,937,688**
Liabilities			
Investment contract liabilities	155,113	155,113	-
Insurance contract liabilities	10,129,034	10,129,034	-
Trade payables	1,002,757	1,002,757	-
Other payables and accruals	1,662,597	1,662,597	-
Deferred commission income	227,449	227,449	-
Current tax liabilities	95,665	95,665	-
Deferred tax liabilities	601,764	-	601,764
Deposit for shares	226,344	226,344	
Total liabilities (B)	**14,100,723**	**13,498,960**	**601,764**
Solvency Margin (A-B)= C		13,255,247	
Check To:			
Minimum to be maintained:			
The higher of 15% of net premium	1,328,792		
and			
Minimum paid-up capital (D)	5,000,000	(5,000,000)	
Solvency Margin (Surplus/Deficit) (C- D)		**8,255,247**	
Solvency level (%)		265%	

Notes to the Financial Statements

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5.2 Approach to capital management

The Solvency Margin for the Company as at 31 December 2021 is as follows:

In thousands of Naira	Total N'000	Admissible N'000	Inadmissible N'000
Assets			
Cash and cash equivalents	2,661,134	2,449,981	211,153
Financial assets	14,096,358	14,096,358	-
Trade receivables	287,981	110,343	177,638
Reinsurance assets	3,216,656	3,125,737	90,919
Other receivable and prepayments	183,235	-	183,235
Deferred acquisition costs	328,447	328,447	-
Investment property	246,300	-	246,300
Intangible assets	8,820	8,820	-
Property and equipment	3,573,679	1,950,034	1,623,645
Statutory deposits	900,400	900,400	-
Total assets (A)	**25,503,010**	**22,970,120**	**2,532,890**
Liabilities			
Investment contract liabilities	226,696	226,696	-
Insurance contract liabilities	8,169,319	8,169,319	-
Trade payables	1,262,948	1,262,948	-
Other payables and accruals	1,094,508	1,094,508	-
Deferred commission income	181,321	181,321	-
Deferred tax liabilities	593,091	-	593,091
Current tax liabilities	108,483	108,483	-
Deposit for shares	226,344	226,344	-
Total Liabilities (B)	**11,862,710**	**11,269,619**	**593,091**
Solvency Margin (A-B)= C		11,700,501	
Check To:			
Minimum to be maintained:			
The higher of 15% of net premium	1,026,339		
and			
Minimum paid-up capital (D)	5,000,000	(5,000,000)	
Solvency Margin (Surplus/Deficit) (C- D)		**6,700,501**	
Solvency level (%)		234%	

The capital plan reflects the Company's current capital needs, planned capital consumption, targeted future capital level given the risk appetite/tolerance, and the plans for external and internal sources of capital. To withstand adverse economic conditions, the capital plan incorporates various potential scenarios and is responsive to changes in the economy, market, competitive/political landscape, and other external factors. The Company plans its capital needs throughout the product and business life cycle, and also ensures that capital management is integrated with the business plan and risk management systems.

To be better prepared for risks that may emerge under unforeseen conditions, stress tests are performed to assess the impact of various scenarios on capital, and also by taking account of other risks not included in the Company's risk universe. The financial control and risk management departments implement responsive capital management processes that include preparing plans for capital adequacy, setting risk limits, monitoring compliance with these plans and limits, analyzing and assessing the actual results, evaluating the level of capital adequacy, and implementing policies when necessary.

Capital is forecasted into the future on an annual basis based on the defined corporate strategy and goals. Constraints on the Company's capital by stakeholders are considered in performing the forecast. The Company ensures the availability of skilled personnel with capabilities to prepare the forecast of regulatory capital.

Notes to the Financial Statements
For the year ended 31 December 2022

5.2 Approach to capital management - continued
Capital is allocated to activities that provide the highest returns. The process clearly specifies the basis for the calculation of capital to be allocated to risk types (known as the "risk capital") and the limits on capital to be allocated to each of the risk categories, business activities and units. The allocation of capital is based on the risk profiles of the business activities and business units (i.e. based on the "contribution" of each business unit to the overall volatility of cash flows).

Individual Capital Assessment (ICA)
The Company has developed an Individual Capital Assessment (ICA) framework to identify the risks and quantify their impact on the economic capital. The ICA estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The ICA has also been considered in assessing the capital requirement.

The Company instituted these policies and processes to its capital structure during the year.

Available capital resources at 31 December, 2022

	Life insurance N'000	Non- life insurance N'000	Total N'000
Total shareholders' funds per financial statements	5,460,335	9,130,837	14,591,172
Available capital resources	**5,460,335**	**9,130,837**	**14,591,172**

	Life insurance N'000	Non- life insurance N'000	Total N'000
Available capital resources at 31 December 2021	4,677,110	8,963,190	13,640,300
	4,677,110	**8,963,190**	**13,640,300**

Total shareholders' funds per financial statements
Available capital resources

- Compliance with statutory minimum capital base requirement
The Company at the end of the 2022 financial year had shareholders' funds of N14.59billion (31 Dec 2021: N13.64billion) which was 292% (2021: 273%) of the statutory minimum capital base of N5billion for composite insurance business. As at the reporting date, the Company complied with the regulatory required minimum capitalization for composite insurance businesses.

Capital Assessment in line with Finance Act,2021
"The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022, amended the Finance Act, 2021. The Finance Act 2021 (Part IX – Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words "paid-up share capital", with the words "Capital requirement" and wherever they appear in Insurance Act 2003. The words "Capital requirement" was introduced and inserted in Section 102 of the Insurance Act. By the provision of section 35, "Capital Requirement" means -
(a) in the case of existing company -
(i) the excess of admissible assets over liabilities, less the amount of own shares held by the company,
(ii) subordinated liabilities subject to approval by the Commission, and
(iii) any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as: Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;

Notes to the Financial Statements

For the year ended 31 December 2022

	2022 N'000	2021 N'000
Share capital	9,000,000	9,000,000
Retained Earnings	884,011	406,260
Contigency reserve	2,755,766	2,360,045
Excess of Admissible assets over liabilities	12,639,778	11,766,306
Less the amout of own shares held (Treasury shares	-	-
	12,639,778	11,766,306
Subordinated laibilities subject to approval by the commission	-	-
Any other financial instruments as prescribed by the commission	-	-
	12,639,778	11,766,306

5.2.1 Asset liability management (ALM) framework

The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. An integral part of the insurance risk management policy is to ensure, in each period, sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

Notes to the Financial Statements
For the year ended 31 December 2022

31 December 2022 In thousand of naira	Non-Life Buisness			Life Buisness					
	Shareholders ' fund	Insurance contract liabilities ' fund	Others	Shareholders ' fund	Insurance contract liabilities ' fund	Investment contract liabilities ' fund	Annuity	Others	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1. Properties:									
Real Estate	3,007,185	-	-	247,030	-	-	-	-	3,254,215
Equipment	64,203	-	-	-	-	-	-	-	64,203
Motor Vehicles	381,247	-	-	-	-	-	-	-	381,247
Furniture	8,675	-	-	-	-	-	-	-	8,675
Others (a)	21,897	-	-	-	-	-	-	-	21,897
	3,483,207	-	-	247,030	-	-	-	-	3,730,237
2. Investments:									
Loans to Policyholders	-	-	-		15,595	-	-	-	15,595
Statutory Deposit	500,400	-	-	400,000	-	-	-	-	900,400
Financial assets:									
- Amortised cost	8,539,453	3,709,250		880,442	2,584,067	308,513	-	-	16,021,725
- FVOCI	230,808	-	-	89,204	-	-	-	-	320,012
Cash and cash equivalents	(4,395,633)		-	6,476,295	-	-	-	-	2,080,662
	4,875,028	3,709,250	-	7,845,941	2,599,662	308,513	-	-	19,338,394
3. Reinsurance and Other assets									
Reinsurance assets	-	3,248,285	-	-	1,324,013	-	-	-	4,572,298
Other assets	820,037	-	-	230,929	-	-	-	-	1,050,966
	820,037	3,248,285	-	230,929	1,324,013	-	-	-	5,623,264
Total	9,178,272	6,957,535	-	8,323,900	3,923,675	308,513	-	-	28,691,895
Funds for the Asset	-	6,496,582	-	-	3,632,456	155,113	-	-	10,284,151
Surplus/(Deficit)	9,178,272	460,953	-	8,323,900	291,219	153,400	-	-	18,407,744

Notes to the Financial Statements

For the year ended 31 December 2022

31 December 2021 In thousand of naira TOTAL	Share-holders ' fund N'000	Insurance contract liabilities ' fund N'000	Others N'000	Share-holders ' fund N'000	Insurance contract liabilities ' fund N'000	Annuity N'000	Others N'000	TOTAL N'000
1. Properties:								
Real Estate	3,290,307	-	-	246,300	-	-	-	3,536,607
Equipment	64,906	-	-	443	-	-	-	65,349
Motor Vehicles	145,338	-	-	-	-	-	-	145,338
Furniture	20,238	-	-	341	-	-	-	20,579
Others (a)	52,106	-	-	-	-	-	-	52,106
	3,572,895	**-**	**-**	**247,084**	**-**	**-**	**-**	**3,819,979**
2. Investments:								
Loans to Policyholders	-	-	-		10,196	-	-	10,196
Statutory Deposit	500,400	-	-	400,000	-	-	-	900,400
Financial assets:								
- Held to Maturity	-	-		-	-	-	-	-
- Amortised cost	7,496,929	2,615,576		852,588	2,635,596	-	-	13,832,307
- FVOCI	175,423	-	-	88,629	-	-	-	264,052
Cash and cash equivalents	(2,762,164)		-	5,423,298	-	-	-	2,661,134
	5,410,588	**2,615,576**	**-**	**6,764,515**	**2,645,792**	**-**	**-**	**17,668,089**
3. Reinsurance and Other assets								
Reinsurance assets	-	2,118,577	-	90,919	1,007,160	-	-	3,216,656
Other assets	698,299	-	-	99,987	-	-	-	798,286
	698,299	2,118,577	-	190,906	1,007,160	-	-	4,014,942
Total	**9,681,782**	**4,734,153**	**-**	**7,202,505**	**3,652,952**	**-**	**-**	**25,503,010**
Funds for the Asset	-	4,625,071	-	-	3,544,248	-	-	8,396,015
Surplus/(Deficit)	**9,681,782**	**109,082**	**-**	**7,202,505**	**108,704**	**-**	**-**	**17,106,995**

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Asset and Liability Management

31 December,2022 in thousands of Nigerian Naira	Carrying amount	Insurance contract Non-life	Insurance contract Group Life	Investment Contract	Assets cover	Shareholders fund	31 Dec 2022 Total
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	2,080,662	-	-	-	-	2,080,662	2,080,662
Financial assets	16,341,736	3,709,250	2,599,662	308,513	6,617,425	9,724,311	16,341,736
Trade receivables	339,536	-	-	-	-	339,536	339,536
Reinsurance assets	4,572,298	3,248,285	1,324,013	-	4,572,298	-	4,572,298
Other receivables and prepayments	178,519	-	-	-	-	178,519	178,519
Deferred acquisition costs	544,097	-	-	-	-	544,097	544,097
Investment property	247,030	-	-	-	-	247,030	247,030
Intangible assets	4,410	-	-	-	-	4,410	4,410
Property and equipment	3,483,207	-	-	-	-	3,483,207	3,483,207
Statutory deposits	900,400	-	-	-	-	900,400	900,400
Total assets	**28,691,895**	**6,957,535**	**3,923,675**	**308,513**	**11,189,723**	**17,502,172**	**28,691,895**
Liabilities							
Investment contract liabilities	155,113	-	-	155,113	155,113	-	155,113
Insurance contract liabilities	10,129,034	6,496,582	3,632,456	-	10,129,038	-	10,129,038
Trade payables	1,002,757	-	-	-	-	1,002,757	1,002,757
Other payables and accruals	1,662,597	-	-	-	-	1,662,597	1,662,597
Deferred commission income	227,450	-	-	-	-	227,450	227,450
Deferred tax liabilities	601,764	-	-	-	-	601,764	601,764
Current tax liabilities	95,665	-	-	-	-	95,665	95,665
Deposit for shares	226,344	-	-	-	-	226,344	226,344
Total liabilities	**14,100,724**	**6,496,582**	**3,632,456**	**155,113**	**10,284,151**	**3,590,232**	**14,100,728**
GAP	**14,591,171**	**460,953**	**291,219**	**153,400**	**905,572**	**13,911,939**	**14,591,167**

31 December,2021 in thousands of Nigerian Naira	Carrying amount	Insurance contract Non-life	Insurance contract Group Life	Investment Contract	Assets cover	Shareholders fund	31 Dec 2021 Total
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	2,661,134	-		-	-	2,661,134.00	2,661,134
Financial assets	14,096,358	2,615,576	2,645,792	192,615	5,453,983	8,642,375	14,096,358
Trade receivables	287,981	-	-	-	-	287,981	287,981
Reinsurance assets	3,216,656	2,118,577	1,007,160	-	3,125,737	90,919.00	3,216,656
Other receivables and prepayments	183,235	-	-	-	-	183,235	183,235
Deferred acquisition costs	328,447	-	-	-	-	328,447	328,447
Investment property	246,300	-	-	-	-	246,300	246,300
Intangible assets	8,820	-	-	-	-	8,820	8,820
Property and equipment	3,573,679	-	-	-	-	3,573,679	3,573,679
Statutory deposits	900,400	-	-	-	-	900,400	900,400
Total assets	**25,503,010**	**4,734,153**	**3,652,952**	**192,615**	**8,579,720**	**16,923,290**	**25,503,010**
Liabilities							
Investment contract liabilities	226,696	-	-	226,696	226,696	-	226,696
Insurance contract liabilities	8,169,319	4,625,071	3,544,248	-	8,169,319	-	8,169,319
Trade payables	1,262,948	-	-	-	-	1,262,948	1,262,948
Other payables and accruals	1,094,508	-	-	-	-	1,094,508	1,094,508
Deferred commission income	181,321	-	-	-	-	181,321	181,321
Deposit for shares	226,344	-	-	-	-	226,344	226,344
Deferred tax liabilities	593,091	-	-	-	-	593,091	593,091
Current tax liabilities	108,483					108,483	108,483
Total liabilities	**11,862,710**	**4,625,071**	**3,544,248**	**226,696**	**8,396,015**	**3,466,695**	**11,862,710**
GAP	**13,640,300**	**109,082**	**108,704**	**(34,081)**	**183,705**	**13,456,596**	**13,640,300**

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5.3 IFRS 17 DISCLOSURES

5.3.1 General Overview of The Standards

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 with earlier adoption permitted, provided IFRS 9 and IFRS 15 are also adopted. Insurance contracts sometimes combine features of both a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period.To provide useful information about these features, these are the way IFRS 17 helps out;
• combines current measurement of the future cash flows with the recognition of profit over the period that services are provided under the contract;
• presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
• requires an entity to make an accounting policy choice of whether to recognize all insurance finance income or expenses in profit or loss or to recognize some of that income or expenses in other comprehensive income.

The Standard measures insurance contracts either under the general model or a simplified version of this called the Premium Allocation Approach or the Variable Fee Approach (VFA).
The general model is defined such that at initial recognition, an entity shall measure a group of contracts at the total of;

(a) the amount of fulfilment cash flows (FCF), which comprise probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money (TVM) and the financial risks associated with those future cash flows and a risk adjustment for non-financial risk; and

(b) the contractual service margin (CSM). On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the FCF related to future services and the CSM of the group at that date. The liability for incurred claims is measured as the FCF related to past services allocated to the group at that date.

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach (PAA) on the condition that, at initial recognition, the entity reasonably expects that doing so would produce a reasonable approximation of the general model, or the coverage period of each contract in the group is one year or less.

IFRS 17, 'Insurance Contracts', specifies that some participating contracts should be accounted for using the VFA to reflect that those contracts provide investment-related services which are integrated with insurance coverage, and that the entity receives a variable fee for those servicesThe Standard will impact on the company's financials and the disclosures of the impact will center around four basic factors as follows;"

1. *Data Processes and system*

These focus areas are very vital for the successful implementation of IFRS 17 at NSIA Insurance Ltd Insurance Limited. The Company will need to update its processes and systems to be able to capture and store significantly more data with an increased level of complexity. The report presents varied degrees of the impact and effort needed across each area to achieve this objective.

2. *Valuation methodology and approach*

The valuation methodologies and implementation approach adopted for the IFRS 17 transition should be reflective of individual characteristics of the business written by NSIA Insurance Ltd Insurance Ltd. It is expected that there would be strategies and plans to accommodate modifications that may develop in the future.

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3. Finance, actuarial and risk functions

The advent of IFRS 17 guidelines has demonstrated the interdependency of the Financial, Actuarial and Risk functions in the liabilities valuation process for Insurers. Hence, it is recommended that NSIA Insurance Ltd Insurance Limited sensitizes these important stakeholders to achieve the desired implementation and financial performance goals

4. Financial performance and remuneration

Given the high impact of IFRS 17 on financial performance calculations and presentation, it is expected that all stakeholders, ranging from board members to the financial function, understand the impact of the liabilities valuation, the bottom line performance and the principal-agent compensations.

5.3.2 IFRS 17 Impacts on Our Different Lines of Businesses

- Disclosures on the Group Corporate Books

Overall, the results of the financial impact assessment for Group corporate books show that IFRS 17 is expected to lead up to 8% increase in the technical reserves held by NSIA Insurance Ltd upon full implementation. IFRS 17 is also expected to lead to lower revenue being recognized in the earlier periods of the contract as the actual premium earnings pattern is reflected, rather than the current straight line amortization of premium to Income.

Liability for Incurred Claims account for about 66% of total liabilities. Upon full implementation, we expect this sort of impact across the different classes of business, albeit to varying degrees.

The Group corporate books is a combination of group credit life and group life assurance.

- Disclosures on the Group Health

Overall, the results of the financial impact assessment for Group Health shows that IFRS 17 is expected to lead up to 17% increase in the technical reserves held by NSIA Insurance Ltd upon full implementation. IFRS 17 is also expected to lead to lower revenue being recognized in the earlier periods of the contract as the actual premium earnings pattern is reflected, rather than the current straight-line amortization of premium to Income.

The Liability for Incurred claims for Group health accounts for about 50% of total Group health liabilities, with Liability for remaining coverage accounting for the remaining 50%. This represents about 12% increase in the LIC when compared to the value of outstanding claims under IFRS 4.

- Disclosures on the General Businesses

As expected, the impact of IFRS 17 on the book of NSIA Insurance Ltd was observed in the form of increase in reserves. Majorly, this increase in reserves is driven by the Risk Adjustment which is an additional compensation for non-financial risks that insurers are exposed to by virtue of the inherent uncertainties in insurance cash flows.

Overall, the results of the financial impact assessment show that IFRS 17 is expected to result in a 19.81% increase in the technical reserves held by NSIA Insurance Ltd upon full implementation. This impact assessment has been carried out based on Financials as at 31 December 2021.

IFRS 17 is also expected to lead to lower revenue being recognized in the earlier periods of the contract as the actual premium earnings pattern is reflected, rather than the current straight-line amortization of premium.

Notes to the Financial Statements
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- Disclosures on Classes General Business

The impact of IFRS 17 on the classes of business is more evident in product classes with longer claims pattern tail than those with shorter tails.

At NSIA Insurance Ltd, the following classes of business are categorized under the longer claims tail pattern;

- Fire,

- Oil & Energy,

- Marine.

These classes have impacts of up to 46%, 20%, 19% respectively,

At NSIA Insurance Ltd, the following classes of business are categorized under the shorter claims tail pattern;

- Bond
- Engineering,
- General Accident,
- Motor
- Bond

These classes generally have less than 15% impacts on our reserves at the full implementation of the standards. The split of the reserves between Liability for Remaining Coverage and Liability for Incurred Claims also varies between the classes of business.

Overall, Liability for Incurred Claims account for about 66% of total liabilities when compared to IFRS 4 which is about 61%. This is explained by the significant increase in liability for Incurred Claims as a result of the introduction of Risk Adjustment under IFRS 17.

Upon full implementation of the standard, we expect this sort of impact across the different classes of business, albeit to varying degrees.

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5.4 Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The Company's retention limit is presently N25,000,000 on any one life (subject to change from time to time).

Underwriting risk appetite is defined based on underwriting objectives, business acceptance guidelines, retention guidelines, net retention capacity, annual treaty capacity, regulatory guidelines, other operational considerations and the judgment of the board and senior management.

Each year, as part of the planning process, the ERM committee and senior management review the underwriting strategy of each core insurance businesses taking into account profit, growth and risk appetite considerations. The review is carried out for each major class of business and approved by the committee.

5.4.1 Life insurance contracts

Life insurance contracts offered by the Company include: whole life and term assurance; Whole life and term assurance are conventional regular premium products where lump sum benefits are payable on death or permanent disability.

Death benefits of endowment products are subject to a guaranteed minimum amount. The maturity value usually depends on the investment performance of the underlying assets.

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected;
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected;
- Longevity risk – risk of loss arising due to the annuitant living longer than expected;
- Investment return risk – risk of loss arising from actual returns being different than expected;
- Expense risk – risk of loss arising from expense experience being different than expected, and
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

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The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. A Company wide reinsurance limits of N15,000,000 on any single life insured are in place.

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to variability from contract holder.

Key assumptions
Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- Mortality 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, prudent allowance is made for expected future improvements. Assumptions are differentiated by underwriting class and contract type.

An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

- Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in longevity rates will lead to an increase in the number of annuity payments made, which will increase the expenditure and reduce profits for the shareholders.

- Investment return

The weighted average rate of return is derived based on a model portfolio that assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to a reduction in expenditure and an increase in profits for the shareholders.

Notes to the Financial Statements

For the year ended 31 December 2022

- Expenses

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 level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

- 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 for shareholders, but later increases are broadly neutral in effect.

- Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

Portfolio assumptions by type of business impacting net liabilities

The assumptions that have the greatest effect on the statement of financial position and income statement of the Company are listed below:

Type of life contracts	Mortality rates		Expenses		Expense inflation rate		Valuation interest rate	
	2022	2021	2022	2021	2022	2021	2022	2021
Individual life	A6770	A6770	N8,450 per policy	N8,257 per policy	14.70%	13.50%	16.00%	15.00%

The Group Life Reserves comprise an Unexpired Premium Reserve (UPR) and Incurred But Not Reported Reserve (IBNR). The only margin removed from the UPR was in respect of acquisition costs, therefore the UPR held contains the expected claims portion plus risk and profit loadings. The UPR was tested against an Additional Unexpired Risk Reserve (AURR), using pooled industry claims data for the underlying assumptions. The resulting AURR was zero, giving comfort that the UPR is sufficient.

A Basic Chain Ladder approach was used for IBNR reserving which considers the pattern of claims emerging based on historical experience; the analysis of which assists with determining overall expected claims level for the group life schemes. This has been used to estimate the future cash flows expected to emerge (claims); therefore the Company expect the group life reserves held to be sufficient to pass the Liability Adequacy Test.

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Sensitivities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on net liabilities and the percentage change. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The method used and significant assumptions made for deriving sensitivity information did not change from the previous period.

31 December 2022		Interest rate		Expense		Expense inflation		Mortality	
	Base	1%	-1%	10%	-10%	2%	-2%	5%	-5%
in thousands									
Individual life	666,916	6,669	(6,669)	66,692	(66,692)	13,338	(13,338)	33,346	(33,346)
Group life	1,413,656	14,137	(14,137)	141,366	(141,366)	28,273	(28,273)	70,683	(70,683)
Health	114,350	1,144	(1,144)	11,435	(11,435)	2,287	(2,287)	5,718	(5,718)
Total liability	**2,194,922**	**21,949**	**(21,949)**	**219,492**	**(219,492)**	**43,898**	**(43,898)**	**109,746**	**(109,746)**
% change in liability	0%	-99.00%	-101.00%	-90.0%	-110.00%	-98.00%	-102.00%	-95.00%	-105.00%

All stresses were applied independently.

Stresses not applied to individual reinsurance asset due to immateriality.

The mortality stress has been applied in the opposite direction for annuities. For example, the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuitants.

31 December 2021		Interest rate		Expense		Expense inflation		Mortality	
	Base	1%	-1%	10%	-10%	2%	-2%	5%	-5%
Individual life	917,817	9,178	(9,178)	91,782	(91,782)	18,356	(18,356)	45,891	(45,891)
Group life	903,940	9,039	(9,039)	90,394	(90,394)	18,079	(18,079)	45,197	(45,197)
Health	478,955	4,790	(4,790)	47,896	(47,896)	9,579	(9,579)	23,948	(23,948)
Total liability	**2,300,712**	**23,007**	**(23,007)**	**230,071**	**(230,071)**	**46,014**	**(46,014)**	**115,036**	**(115,036)**
% change in liability	0.0%	-99.0%	-101.0%	-90.0%	-110.0%	-98.0%	-102.0%	-95.0%	-105.0%

Notes to the Financial Statements
For the year ended 31 December 2022

5.4.2 Non–life insurance contracts (which comprise general insurance)

The Company principally issues the following types of general insurance contracts: motor, fire, marine and aviation, bonds, engineering, oil and energy and general accident. Risks under non–life insurance policies usually cover twelve months duration.

For non-life insurance contracts, the most significant risks arise from climate changes, natural disasters, accidents and other environmental activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by the Board.

The table below sets out the concentration of short term insurance contract liabilities by type of contract:

	31-Dec-2022			31-Dec-21		
	Gross liabilities	Reinsurance on liabilities	Net liabilities	Gross liabilities	Reinsurance on liabilities	Net liabilities
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	442,864	193,909	248,955	219,339	53,570	165,769
Fire	749,318	416,004	333,314	783,494	501,693	281,801
Bond	12,317	5,799	6,518	7,840	3,136	4,704
General accident	852,795	834,120	18,675	439,178	567,604	(128,426)
Marine and aviation	565,867	66,899	498,968	238,119	149,069	89,050
Engineering	137,132	66,182	70,950	176,268	103,259	73,009
Oil and energy	591,405	310,964	280,441	657,096	336,657	320,439
Subtotal	**3,351,698**	**1,893,877**	**1,457,821**	**2,521,334**	**1,714,988**	**806,347**
Health insurance	114,350	80,403	33,947	478,955	284,631	194,324
Group life	1,413,656	388,622	1,025,034	903,940	173,423	730,517
Total	**4,879,704**	**2,362,902**	**2,516,802**	**3,904,229**	**2,173,042**	**1,731,188**

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Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement.

Sensitivities

The non–life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

31 December 2022

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Discount Rate	(-1)% Discount Rate
General Accident	553,312	27,666	(27,666)	5,533	(5,533)
Engineering	74,150	3,708	(3,708)	742	(742)
Fire	385,553	19,278	(19,278)	3,856	(3,856)
Marine	107,076	5,354	(5,354)	1,071	(1,071)
Motor	139,710	6,986	(6,986)	1,397	(1,397)
Bond*	9,537	477	(477)	95	(95)
Oil & Gas*	363,690	18,185	(18,185)	3,637	(3,637)
IBNR	1,633,028	81,650	(81,651)	16,330	(16,330)
Gross OCR	1,718,670	85,934	(85,934)	17,187	(17,187)
Total	**3,351,698**	**167,584**	**(167,585)**	**33,517**	**(33,517)**
Percentage Change		26%	53%	-99.00%	-101.00%

* The method used for deriving sensitivity information and significant assumptions did not change from the previous period. No future inflation is assumed thus no sensitivity is assumed, Effective historic annual inflation rates used is 12.4% and effective annual discount rate is 15.0%.

31 December 2021

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Discount Rate	(-1)% Discount Rate
General Accident	152,682	7,634	(7,634)	1,527	(1,527)
Engineering	119,530	5,977	(5,977)	1,195	(1,195)
Fire	238,167	11,908	(11,908)	2,382	(2,382)
Marine	46,824	2,341	(2,341)	468	(468)
Motor	45,249	2,262	(2,262)	452	(452)
Bond*	7,840	392	(392)	78	(78)
Oil & Gas*	438,012	21,901	(21,901)	4,380	(4,380)
IBNR	1,048,304	52,415	(52,415)	10,483	(10,483)
Gross OCR	1,473,030	73,652	(73,652)	14,730	(14,730)
Total	**2,521,334**	**126,067**	**(126,067)**	**25,213**	**(25,213)**
Percentage Change		26%	53%	-99.25%	-100.75%

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Notes to the Financial Statements

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5.5 Claims development table_NonLife

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves where there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Claims development table

Analysis of claims development – Gross

	2018 N'000	2019 N'000	2020 N'000	2021 N'000	2022 N'000	Total N'000
Estimate of ultimates:						
End of accident year	471,914	772,954	994,737	1,406,757	1,406,757	5,053,118
1 year later	230,754	409,812	1,879,247	-	-	2,519,812
2 years later	57,806	141,581	-	-	-	199,387
3 years later	157,710	-	-	-	-	157,710
4 year later	736	-	-	-	-	736
Cumulative Payment	918,920	1,324,346	2,873,983	1,406,757	1,406,757	7,930,764
Current estimate of ultimate claims	1,318,679	1,008,930	1,662,727	3,380,024	3,189,878	10,560,238
Current outstanding claims reserve	43,059	76,496	149,093	293,572	**419,876**	982,096
Liability in Statement of Financial Position						**1,647,378**

Analysis of claims development – Reinsurance

	2018 N'000	2019 N'000	2020 N'000	2021 N'000	2022 N'000	Total N'000
Estimate of ultimates:						
End of accident year	413,179	531,732	751,976	751,976	802,233	3,251,095
1 year later	219,063	1,004,543	-	-	-	1,223,606
2 years later	75,681	-	-	-	-	75,681
3 years later	-	-	-	-	-	-
4 year later	-	-	-	-	-	-
Cumulative Recoveries	707,923	1,536,275	751,976	751,976	802,233	4,550,382
Current estimate of ultimate Recoveries	738,460	565,001	931,127	1,892,813	1,798,562	5,925,964
Current outstanding claims recoveries	24,113	42,838	83,492	164,400	**235,131**	549,974
Asset in Statement of Financial Position						**825,608**

Analysis of claims development – Net

	2018 N'000	2019 N'000	2020 N'000	2021 N'000	2022 N'000	Total N'000
Estimate of ultimates:						
End of accident year	58,741	241,222	242,761	654,781	604,524	1,802,028
1 year later	11,691	(594,731)	1,879,247	-	-	1,296,206
2 years later	(17,875)	141,581	-	-	-	123,706
3 years later	157,710	-	-	-	-	157,710
4 year later	736	-	-	-	-	736
Cumulative Net Payment	211,002	(211,929)	2,122,008	654,781	604,524	3,380,386
Current estimate of net ultimate claims	580,219	443,929	731,600	1,487,211	1,391,321	4,634,279
Current net outstanding claims reserve	18,946	33,658	65,601	129,172	**184,745**	432,122
Net Liability in Statement of Financial Position						**821,770**

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For the year ended 31 December 2022

5.6 Financial risk management

5.6.1 Introduction and Overview

The company is exposed to a range of financial risks through its financial instruments,insurance assets and Insurance Liabilities.The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts.The most important components of the financial risks are :

(a) Credit Risk
(b) Liquidity risk
(c) Market risk

Credit risk is the risk of default and change in the credit quality of issuers of securities (in the Company's investment portfolio), counter-parties (e.g. on reinsurance and coinsurance contracts) and untimely or non-payment of premiums by brokers and clients.

The Company is exposed to the following categories of credit risk:

Direct Default Risk – the risk of non- receipt of the cash flows or assets to which it is entitled because brokers, clients and other debtors default on their obligations.

Concentration Risk – this is the exposure to losses due to excessive concentration of business activities to individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

Counterparty Risk – this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

The Company therefore ensures the establishment of principles, policies and processes and structure for the management of credit risk.

The credit risk appetite is in line with the Company's strategic objectives, available resources and the provisions of NAICOM Operational Guidelines. In setting this appetite/tolerance limits, the company takes into consideration the corporate solvency level, risk capital and liquidity level, credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients.

The Company's credit risk tolerance includes the following:

- Individual broker's indebtedness, at the end of each financial year, shall not exceed the limit set by management at the beginning of that financial year.
- Unpaid Premiums shall not remain outstanding for more than a period of 1 month, after which this would serve as an objective indicator of impairment.

Credit risk tolerance limits shall be updated from time to time, to reflect changes in the business and to comply with any changes in regulatory provisions.

The credit risk management governance structure comprises the board of directors, ERM Committee, management risk committee, technical operations department, risk management department and the internal audit department.

The Board Risk Committee has the responsibility of ensuring that an appropriate, adequate and effective system of risk management and internal control which addresses credit control is established and maintained.

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The Credit

The Credit Risk Management process involves the identification, measurement, mitigation and control, monitoring and reporting credit risk.

The credit control unit identifies the credit risk by, amongst other functions assessing/evaluating the repayment capacity of clients/counterparties, credit policyholders, insurance brokers, etc.

An internal credit rating scale is in place to measure the counterparty credit risk. All clients and counterparties that are to be granted credit shall be rated using the Company's risk-rating model. The risk-rating model comprises:

- Client/counterparty risk rating: evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.

- Transaction risk rating: defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals (e.g. guarantees, and equitable and legal mortgages).

The following risk mitigation and control activities are in place to effectively manage exposures to default risk: client evaluation, credit analysis, credit limit setting, credit approval, security management and provision for impairment.

The quality and performance of credit portfolios is monitored to identify early signs of decline in credit quality. Such activities include the review of ageing report, credit portfolio quality and delinquency management.

The Company has established a credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry segment (i.e. limits are set for investments and cash deposits).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings.

The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document until expiry, when the policy is either paid up or terminated. Commission payable to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

Credit exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position and items such as future commitments. The carrying amounts of financial assets represents the maximum credit exposure.

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For the year ended 31 December 2022

	Notes	31-Dec-2022 N'000	31-Dec-2021 N'000
Financial instruments			
Cash and cash equivalents	17	2,080,553	2,660,877
Financial assets at amortised cost	18	16,021,725	13,832,307
Reinsurance recoverable	20	662,086	955,240
Trade receivables	19	339,536	287,981
Total credit risk exposure		**19,103,900**	**17,782,820**

Credit loss expense on financial assets recognised in profit or loss were as follows:

	31-Dec-2022 N'000	31-Dec-2021 N'000
Credit Loss Expenses/(Reversal)		
Expected credit loss on insurance receivables (see note 19(c)(I))	5,005	32,072
(Reversal)/Expected credit loss on other receivables (see note 21(c))	(92,013)	(24,357)
Expected credit loss/(reversal) of financial assets at amortised cost (see note 18(a))	21,899	(253)
(Reversal)/Expected credit loss on cash and cash equivalent (see note 17(b))	(2,825)	(1,578)
Reversal of Expected credit loss on debt instrument at FVOCI (see note 18(b)(ii)	-	(1,900)
	(67,934)	3,984

5.6.1 Concentration of credit risk by sector

	31-Dec-2022 N'000	31-Dec-2021 N'000
Banking and other financial sector	18,102,278	16,493,184
Insurance sector	1,001,622	1,243,221
	19,103,900	**17,782,820**

31 December 2022

	Notes	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Cash and cash equivalents	17	2,080,553	-	-	2,080,553
Financial assets at amortized cost	18	16,021,725	-	-	16,021,725
Trade receivables	19	-	339,536	-	339,536
		18,102,278	**339,536**	**-**	**18,441,814**

31 December 2021

	Notes	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Cash and cash equivalents	17	2,660,877	-	-	2,660,877
Financial assets at amortized cost	18	13,832,307	-	-	13,832,307
Trade receivables	19	-	287,981	-	287,981
		16,493,184	**334,396**	**-**	**16,827,580**

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Credit quality

Amount arising from ECL

Significant increase in credit risk

"When determing whether the credit risk (i.e risk of default) on a financial insturment has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a signigicant increase in credit risk has occured for an exposure by comparing the risk rating of counter parties at reporting period to the risk rating at the last reporting periond. The probability of default is adjusted based on the risk rating to reflect the impact of downgrading. Risk ratings are based on external rating agencies (Fitch, Moody and S&P).

Inputs, assumptions and techniques used for estimating impairment.

Modified financial assets

"The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An exisiting financial asset whose terms have been modified may be derecognised and the renogotiated asset recognised as a new financial asset at fair value in accordance with the account policies.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of;

- its remaining lifetime PD as at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

The Company did not have any modified financial asset as at 31 December,2022.

Definition of default

The Company considers a financial asset to be in default when;

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- Trade recievables that are more than 30 days past due and other recievables that are more than 180 days past due..

In assessing whether a borrower is in default, the Company considers indicators that are;

- qualitative; e.g breaches of covenant and other indicators of financial distress;
- quantitative; e.g overdue status and non-repayment of another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources."

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit of an instrument has increased significantly since initial recognition and its measurement of ECL.

The Company has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenerios used as at 31 December 2021 included the forecasted GDP average growth rate of 2.64% (premised on IMF Gross Domestic Product (GDP) forecast for Nigeria).

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Measurement of ECL
The key inputs into the measurement of ECL are the term structures of the following variables;
- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

To determine lifetime and 12-month PDs, the Company uses the PD tables supplied by Fitch, Moody and S&P rating agency based on the default history of obligors with the same credit rating. . Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated.

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. They are calculated on a discounted cash flow basis using the effective interest rates as the duscounting factor. The LGD ratings were obtained from S&P and calibrated using Moody ratings as at 30 October 2021.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortization, and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period.

Cash & short-term deposits in banks

in thousands of Nigerian Naira	31 December 2022				31 December 2021			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Investment grade	2,088,054	-	-	2,088,054	2,671,203	-	-	2,671,203
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	2,088,054	-	-	2,088,054	2,671,203	-	-	2,671,203
Expected credit loss	(7,501)	-	-	(7,501)	(10,326)	-	-	(10,326)
Total Net Amount	**2,080,553**	-	-	**2,080,553**	**2,660,877**	-	-	**2,660,877**

Cash & short-term deposits in banks

An analysis of changes in the gross amount and the corresponding ECL is as follows:

Gross carrying amount	31 December 2022				31 December 2021			
in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	2,671,203	-	-	2,671,203	1,314,144	-	-	1,314,144
New assets originated or purchased	2,088,054	-	-	2,088,054	2,671,203	-	-	2,671,203
Assets derecognised or repaid (excluding write offs)	(2,671,203)	-	-	(2,671,203)	(1,314,144)	-	-	(1,314,144)
At the end of the year	**2,088,054**	-	-	**2,088,054**	**2,671,203**	-	-	**2,671,203**

ECL allowance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	**10,326**	-	-	**10,326**	**11,904**	-	-	11,904
Assets derecognised or repaid	(10,326)	-	-	(10,326)	(11,904)	-	-	(11,904)
New assets originated or purchased	7,501	-	-	7,501	10,326	-	-	10,326
Impairment loss	(2,825)	-	-	(2,825)	(1,578)	-	-	(1,578)
At the end of the year	**7,501**	-	-	**7,501**	**10,326**	-	-	**10,326**

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Measurement of ECL

Debt Instruments at amortised cost

in thousands of Nigerian Naira	31 December 2022				31 December 2021			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Investment grade	16,058,357	-	-	16,058,357	13,847,040	-	-	13,847,040
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	16,058,357	-	-	16,058,357	13,847,040	-	-	13,847,040
Expected credit loss	(36,632)	-	-	(36,632)	(14,733)	-	-	(14,733)
Total Net Amount	16,021,725	-	-	16,021,725	13,832,307	-	-	13,832,307

Debt Instruments at amortised cost

An analysis of changes in the gross amount and the corresponding ECL is as follows:

Gross carrying amount	31 December 2022				31 December 2021			
in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	13,847,040	-	-	13,847,040	11,883,409	-	-	11,883,409
New assets originated or purchased	16,058,357	-	-	16,058,357	13,847,040	-	-	13,847,040
Assets derecognised or repaid (excluding write offs)	(13,847,040)	-	-	(13,847,040)	(11,883,409)	-	-	(11,883,409)
At the end of the year	16,058,357	-	-	16,058,357	13,847,040	-	-	13,847,040

ECL allowance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	14,733	-	-	14,733	14,986	-	-	14,986
New assets originated or purchased	36,632	-	-	36,632	14,733	-	-	14,733
Assets derecognised or repaid	(14,733)	-	-	(14,733)	(14,986)	-	-	(14,986)
Impairment loss	21,899	-	-	21,899	(253)	-	-	(253)
At the end of the year	36,632	-	-	36,632	14,733	-	-	14,733

Measurement of ECL

Debt instruments measured at FVOCI

ECL allowance	31 December 2022				31 December 2021			
in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	-	-	-	-	1,900	-	-	1,900
New assets originated or purchased		-		-	-	-		-
Assets derecognised or repaid	-	-	-	-	(1,900)	-	-	(1,900)
Changes ECL on debt instruments at FVOCI (Note 14)	-	-	-	-	(1,900)	-	-	(1,900)
At the end of the year	-	-	-	-	-	-	-	-

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Other Financial Receivables

in thousands of Nigerian Naira	31 December 2022				31 December 2021			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Investment grade	-		-	-	-		-	-
Non-investment grade (satisfactory)	178,836	-	-	178,836	335,860	-	-	335,860
Non-investment grade (unsatisfactory)	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	178,836	-	-	178,836	335,860	-	-	335,860
Expected credit loss	(197,432)	-	-	(197,432)	(289,445)	-	-	(289,445)
Total Net Amount	(18,596)	-	-	(18,596.00)	**46,415**	-	-	**46,415**

Measurement of ECL

in thousands of Nigerian Naira	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 N'000	Total N'000	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 N'000	Total N'000
Opening balance	289,445	-	-	289,445	313,803		-	313,803
						-		
New assets originated or purchased		-	-	(92,013)	-	-	-	-
Transfers to Stage 3	-	-	-	-	-		-	-
Assets derecognised or repaid			-	-		-	-	(24,358)
(excluding write offs)	(92,013)	-			(24,358)	-		
Changes in ECL (note 14)	(92,013)	-	-	(92,013)	(24,358)	-	-	(24,358)
At the end of the year	197,432	-	-	197,432	289,445		-	289,445

Notes to the Financial Statements
For the year ended 31 December 2022

The following table provides information about the exposure to credit risk and ECLs for trade receivables and other financial assets.

31 December 2022	Weighted avarage loss rate	Gross carrying amount N'000	Expected credit loss allowance N'000
Cash and cash equivalents	0.36%	2,088,163	(7,501)
Financial assets at amortised cost	0.23%	16,058,357	(36,632)
Trade receivables	18%	412,670	(73,134)
Other receivables*	80%	245,847	(197,432)
		18,805,037	**(314,699)**

31 December 2021		N'000	N'000
Cash and cash equivalents	**0%**	2,671,203	(10,326)
Financial assets at amortised cost	0.11%	13,847,040	(14,733)
Trade receivables	19%	356,110	(68,129)
Other receivables*	81%	335,860	(270,849)
		17,210,213	**(364,037)**

Excluded from other recievables is WHT recievables. Also, loss rates are based on actual credit loss experience over a period of 5 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on the forecasted GPD growth rate. The table below sets out the ECL allowance based on ECL model.

31 December 2022	6 month ECL	Life time ECL non credit impaired	Life time ECL credit impaired	Total
Cash and cash equivalents	(7,501)	-	-	(7,501)
Financial assets at amortised cost	(36,632)	-	-	(36,632)
Trade receivables	-	-	(73,134)	(73,134)
Other receivables*	-	0	(197,432)	(197,432)
	(44,133)	0	**(270,566)**	**(314,699)**

31 December 2021	6 month ECL	Life time ECL non credit impaired	Life time ECL credit impaired	Total
Cash and cash equivalents	(10,326)	-	-	(10,326)
Financial assets at amortised cost	(14,733)	-	-	(14,733)
Trade receivables	-	-	(68,129)	(68,129)
Other receivables*	-	18,596	(289,445)	(270,849)
	(25,059)	**18,596**	**(357,574)**	**(364,037)**

Notes to the Financial Statements
For the year ended 31 December 2022

Cash and Cash equivalents
The company held cash and cash equivalent of N2.08 billion as at 31 December 2022 (2021:N2.661b). The cash and cash equivalent are held with Bank and financial institution counterparty which are rated AA to CCC based on fitch ratings. Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflected the short maturities of the exposures. The Company considers that its cash and cash equivalents have low to medium credit risk based on the external credit rating of the counter parties."

The Company uses a similar approach for assessment of ECLs on cash and cash equivalents to those used for debt securities. N2.825 million impairment allowance was derecognised during the period, bringing the balance from N10.32 million in 2021 to N7.5 million being the closing balance at at 31 December, 2022

5.6.2 **Liquidity risk**
Liquidity risk is the inability of a business to meet its obligations associated with financial liabilities that are settled by delivering of cash or another financial instrument on a timely basis. It is also the inability of a business to take advantage of business opportunities and sustain the growth target in its business strategy due to liquidity constraints or difficulty in obtaining funding at a reasonable cost. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

Liquidity risk exposure is strongly related to the credit and investment risk profile. For instance, an increase in our credit risk exposure may increase our liquidity risk profile; poor performance of the investment portfolio may have severe liquidity risk implications for the Company.

The Company's strategy for managing liquidity risks are as follows:
- Maintain a good and optimum balance between having sufficient stock of liquid assets, profitability and investment needs
- Ensure strict credit control and an effective management of receivables
- Ensure unrestricted access to financial markets to raise funds
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans
- Adhere to the liquidity risk control limits
- The Company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- Communicate to all relevant staff the liquidity risk management objectives and control limits

The liquidity risk appetite shall be defined using the following parameters:
- Liquidity gap limits
- Liquidity ratios as mentioned below

These ratios are monitored by the Management Risk Committee.

The Liquidity Risk Management Governance Structure comprises the board of directors, ERM Committee, Management Risk Committee, Technical operations department, Risk management department and Internal audit department.

The following early warning indicators are used to promptly identify liquidity risks:
- Negative trends in cash forecast
- Volume of outstanding premium
- Decline in earnings performance or projections
- Exceeding liquidity limits as indicated by relevant metrics
- Deteriorating third-party ratings of the Company
- Scenario and sensitivity analysis

Notes to the Financial Statements

For the year ended 31 December 2022

The following approaches are adopted to assess liquidity risk exposures:
- Liquidity ratio analysis
- Cash flow analysis
- Scenario and sensitivity analysis

Liquidity ratios are used to assess the ability to meet short-term obligations. The relevant ratios include the following:
- Claims ratio
- Receivables to capital ratio
- Ratio of technical provision to capital
- Maximum exposure for single risk to capital ratio
- Maximum exposure for a single event to capital
- Retention rate

Cash flow analysis shows the net future cash flows of various time-bands. The Company uses cash flow analysis (cash forecasting) to compare cash inflows and outflows daily and over a series of time bands (weekly, monthly, quarterly, bi-annually and yearly). The Company's net funding requirement is determined by analyzing the present and future cash flows at selected maturity dates, based on assumptions about the income and expenditures. This analysis will include the cumulative net excess or shortfall over the period of the analysis.

Liquidity risk is measured by performing scenario and sensitivity analyses based on various stress factors that differ in terms of probability, severity and duration.

Scenarios are applied, based on normal business operations and on crisis, to determine the potential impact on funding requirements.
Based on the results of the stress test and scenario analysis, the following activities are performed:
- Quantify liquidity outflows in all stress scenario for each liquidity risk drive
- Identify cash inflows to close liquidity gaps under all stress scenarios
- Determine net liquidity position for each scenario

In managing liquidity risk mitigation and control, one way is having access to financial markets. This is by ensuring that the Company has sufficient and unhindered access to funding from a range of sources in the financial markets, also assessing periodically the ability to obtain funds in both local and foreign currencies.

The Risk management department maintains an independent liquidity risk-reporting framework that consistently communicates liquidity risk information across the Company and ensures availability of timely information for liquidity management decisions.

Maturity profiles

The table that follows summarizes the maturity profile of the non–derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.
Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

Notes to the Financial Statements

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5.6.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- Foreign exchange risk

The Company is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Company is exposed to bank balances in foreign currencies.

The carrying amounts of the foreign currency denominated assets and liabilities as at end of the year are as follows:

31 December 2022	**USD**	**EUR**	**GBP**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Cash and bank balances	12,091	33,068	188	45,347
Eurobonds	1,633,560	-	-	1,633,560
Unquoted equities	**54,369**	-	-	**54,369**

31 December 2021	**USD**	**EUR**	**GBP**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Cash and bank balances	506,760	2,761	188	509,709
Long term deposits	993,313	-	-	993,313
Unquoted equities	54,369	-	-	54,369

	Average rates		Year end spot rate	
	2022	2021	2022	2021
US Dollars	411	399	437	424
EURO	464	450	481	467
GB Pounds	534	519	573	556

Foreign exchange sensitivity

Financial assets exposed to foreign exchange risk	Increase by 5% N'000	Increase by 10% N'000	Decrease by 5% N'000	Decrease by 10% N'000
31 December 2022				
Financial assets	1,733,276	1,733,276	1,733,276	1,733,276
Effect on profit before tax	86,664	173,328	(86,664)	(173,328)
Taxation @ 30%	(25,999)	(51,998)	25,999	51,998
Effect on profit after tax	**60,665**	**121,329**	**(60,665)**	**(121,329)**

Financial assets exposed to foreign exchange risk	**Increase by 5% N'000**	**Increase by 10% N'000**	**Decrease by 5% N'000**	**Decrease by 10% N'000**
31 December 2021				
Financial assets	1,557,391	1,557,391	1,557,391	1,557,391
Effect on profit before tax	77,870	155,739	(77,870)	(155,739)
Taxation @ 30%	(23,361)	(46,722)	23,361	46,722
Effect on profit after tax	**54,509**	**109,017**	**(54,509)**	**(109,017)**

Notes to the Financial Statements
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5.6 Financial risk management - continued

Maturity profile of financial assets and liabilities:

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

31 December 2022

	Notes	Carrying amount	Gross nominal value	1-3 months	3-6 months	6-12 months
		N'000	N'000	N'000	N'000	N'000
Financial assets						
Cash and cash equivalents	17	2,080,662	2,080,662	2,080,662	-	-
Financial asset at amortised cost	18	16,021,725	13,915,608	2,163,994	115,789	123,580
Financial assets at fair value through OCI	18	320,011	224,939	-	-	-
Trade receivables	19	339,536	339,536	339,536	-	-
Statutory deposit	27	900,400	900,400	-	-	-
		19,710,749	**17,509,560**	**4,632,607**	**115,789**	**123,580**
Financial liabilities						
Trade payables	30	1,002,757	1,002,757	1,002,757	-	-
Other payables	31	408,740	408,740	408,740	-	-
		1,411,497	**1,411,497**	**1,411,497**	**-**	**-**
Net financial assets		**18,299,252**	**16,098,063**	**3,221,110**	**115,789**	**123,580**

31 December 2021

	Notes	Carrying amount	Gross nominal value	1-3 months	3-6 months	6-12 months
		N'000	N'000	N'000	N'000	N'000
Financial assets						
Cash and cash equivalents	17	2,661,134	2,661,134	2,661,134	-	-
Financial asset at amortised cost	18	13,832,307	13,915,608	2,163,994	115,789	123,580
Financial assets at fair value through OCI	18	264,051	224,939	-	-	-
Trade receivables	19	287,981	287,981	287,981	-	-
Statutory deposit	27	900,400	900,400	-	-	-
		17,992,288	**18,036,477**	**5,159,524**	**115,789**	**123,580**
Financial liabilities						
Trade payables	30	1,262,948	1,262,948	1,262,948	-	-
Other payables	31	223,833	223,833	223,833	-	-
		1,486,781	**1,486,781**	**1,486,781**	**-**	**-**
Net financial assets		**16,505,507**	**16,549,696**	**3,672,743**	**115,789**	**123,580**

Notes to the Financial Statements

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- Interest rate risk

The Company is moderately exposed to interest-rate risk through its conservative investment approach with high investment in Fixed Income and Money Market instruments.

Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios. The Company does not have interest bearing liabilities. Fluctuations in interest rates cannot significantly impact the Company's statement of financial position as the Company does not have a floating rate interest bearing asset.

The table below details the interest rate sensitivity analysis of the Company as at 31 December 2022, holding all other variables constant. Based on historical data, 100 and 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

Interest earning assets 31 December 2022	**1-3 months N'000**	**3-6 months N'000**	**> 6 months N'000**	**Total N'000**
Cash and bank balances	2,080,553	-	-	2,080,553
Financial Assets				
Amortized cost	-	34,645	15,966,153	16,000,798
Statutory deposit	-	-	900,400	900,400
Total interest earning assets	**2,080,553**	**34,645**	**16,866,553**	**18,981,751**
Gap				
Increase by 100bp	20,806	346.45	168,666	189,817.51
Increase by 500bp	104,028	1,732	843,328	949,087
Decrease by 100bp	(20,806)	(346)	(168,666)	(189,818)
Decrease by 500bp	**(104,028)**	**(1,732)**	**(843,328)**	**(949,088)**

31 December 2021	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	2,660,877	-	-	2,660,877
Investment securities				-
Amortized cost	-	127,855	13,401,111	13,528,966
Statutory deposit	-	-	900,400	900,400
Total interest earning assets	**2,660,877**	**127,855**	**14,301,511**	**17,090,243**
Gap				
Increase by 100bp	26,609	1,279	143,015	170,902
Increase by 500bp	133,044	6,393	715,076	854,511
Decrease by 100bp	(26,609)	(1,279)	(143,015)	(170,902)
Decrease by 500bp	(133,044)	(6,393)	(715,076)	(854,512)

Notes to the Financial Statements

For the year ended 31 December 2022

Summary of sensitivity of investments to market prices 31 December 2022	as per mkt price N'000	at +10% of mkt price N'000	at -10% of mkt price N'000
Quoted equities			
Non-life	230,808	23,081	(23,081)
Life	89,204	8,920	(8,920)
Total	**320,012**	**32,001**	**(32,002)**
31 December 2021	**as per mkt price N'000**	**at +10% of mkt price N'000**	**at -10% of mkt price N'000**
Quoted equities			
Non-life	97,455	9,746	(9,746)
Life	64,780	6,478	(6,478)
Total	**162,235**	**16,224**	**(16,225)**

- Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit–linked business.

The Company has no significant concentration of price risk.
The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that asset are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

The Company is active in money and capital market instruments, and investments in these instruments are basically for liquidity and held-to-maturity purposes. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

A sound market/investment risk management framework is implemented in order to minimize possible losses to capital and earnings arising from volatilities in market factors. The Company stipulates diversification benchmarks by type of instrument and geographical area.

Investment risk is the risk of loss (partial or full) of the principal amount and/or expected returns due to changes in the market variables. Investment risk is managed effectively and on a proactive basis by developing and implementing investment risk management strategies policies and processes.

The Company adopts a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed are commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.

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For the year ended 31 December 2022

- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or of our key officers

- Businesses are not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.
- A cautious and prudent approach is adopted in engaging in investment and trading activities

The strategic management of the Company's investment portfolio is the fundamental responsibility of the Board Investment Committee (BIC) and senior management. The investment management team is responsible for implementing our policies by executing trade and investment decisions.

In accordance with section 6(2) of the NAICOM guidelines (which is subject to future amendments), the Company invests in any of the following categories of investment assets:

- Bonds, bills and other securities issued or guaranteed by the Federal Government of Nigeria and the Central Bank of Nigeria
- Bankers acceptance and commercial papers guaranteed by issuing bank
- Quoted equities of not more than 50% of insurance fund
- Unquoted equities not more than 10% of insurance fund
- Equipment leasing not more than 5% of insurance fund
- Property for non-life insurance, not more than 25% insurance fund

Investment risk exposures are mitigated by:

- Setting internal investment risk control limits
- Complying with legal investment limits
- Establishing investment approval limits
- Diversification, in order to smoothen out unsystematic risk events in our portfolios
- Clear separation of duties between the unit that initiates and executes trades, and the units that accounts for trade transactions and handle transaction settlement.

The risk management department is responsible for monitoring investment risk exposures while the financial control department provides relevant information to the risk management department for investment risk monitoring.

5.7 Measurement of fair values

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). 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.

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iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. 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.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

(a) Financial assets carried at fair value 31 December 2022	Carrying value	Fair value	Level 1	Level 2	Level 3
All carried at FVTOCI	N'000	N'000	N'000	N'000	N'000
Unlisted Equity	99,894	99,894	-	-	99,894
Listed Equity	220,118	220,118	220,118	-	-
Total financial assets	320,011	320,011	220,118	-	99,894

31 December 2021	Carrying value	Fair value	Level 1	Level 2	Level 3
All carried at FVTOCI	N'000	N'000	N'000	N'000	N'000
Unlisted Equity	87,097	87,097	-	-	87,097
Listed Equity	176,955	176,955	176,955	-	-
Total financial assets	264,052	264,052	176,955	-	87,097

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation.

Significant unobservable inputs used in measuring fair value
"Information set out below shows the significant unobservable inputs used as at 31 December 2022 and 2021 in measuring available for sale categorized as Level 3 in the fair value hierarchy. A 5% increase/decrease in the average price will result to a net increase/decrease of N3million in the fair value of the level 3 financial assets.

Notes to the Financial Statements
For the year ended 31 December 2022

Reconciliation of level 3 fair values.
The following table shows a reconciliation for the opening balance to the closing balance for level 3 fair value.

	Unlisted Equity Securities
	N'000
Balance as at 1 January 2021	75,638
Net change in fair value recognised in OCI (unrealised)	11,458
Balance as at 31 December 2021	87,096
	N'000
Balance at 1 January 2022	87,096
Net change in fair value recognised in OCI (unrealised)	12,797
Balance as at 30 June 2021	99,894

(b) Financial assets not carried at fair value
The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

31 December 2022	Carrying value	Fair value	Level 1	Level 2	Level 3
	N'000	N'000	N'000	N'000	N'000
FGN bonds	16,000,798	17,280,862	-	17,280,862	-
Staff loan	5,332	4,799	-	-	4,799
Loans to policy holders	15,595	14,815	-	-	14,815
Total financial assets	16,021,725	17,300,476	-	17,280,862	19,614

31 December 2021	Carrying value	Fair value	Level 1	Level 2	Level 3
	N'000	N'000	N'000	N'000	N'000
FGN bonds	13,528,966	14,611,283	-	14,611,283	-
Staff loan	165,291	148,762	-	-	148,762
Loans to policy holders	10,196	9,686	-	-	9,686
Total financial assets	13,832,307	14,769,731	-	14,611,283	158,448

Fair value disclosure for other financial assets

Cash and cash equivalents
Cash and cash equivalents are cash deposits in banks and short term deposits (Placements) with financial institutions. The cash deposit are deemed to be at fair value as no rates are applied and the cash will be made available to the Company on request.

Reinsurance recoverable
Reinsurance recoverable are due from reinsurers. There are no market activities for such assets from which observable inputs can be obtained. Management has developed unobservable inputs using the best information available which is the actual value due from the reinsurers. This is deemed to be the fair value as the level of measurement uncertainty is low and are based on predetermined arrangements.

Trade receivables
Trade receivables are premiums due from brokers and other intermediaries. Though there is no active market for this group of financial assets, the basis for assessing the risk of the financial assets is based on policy issued by the regulatory body, NAICOM, which can be said to be observable and can be comparable to other companies in the industry. The carrying amount of trade receivable is a reasonable approximation of its fair value, which is receivable on demand.

Trade payables
The carrying amount of trade payables is a reasonable approximation of their fair value, which is payable on demand.

Other payables
Other payables consist of amount owed to non-trade related creditors
The carrying amount of other payables is a reasonable approximation of their fair value, which is payable on demand.

Notes to the Financial Statements
For the year ended 31 December 2022

6 Gross premium written and income

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Long-term insurance contracts (see note 6.1 below)	385,039	296,554
Short-term insurance contracts (see note 6.1 below)	17,632,188	13,406,782
Gross premium written	18,017,227	**13,703,336**
Change in unearned premium provision (note 29(a)(iv))	(1,194,369)	(1,028,484)
Gross premium income	16,822,858	12,674,852

6.1 Net Premium income

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Long-term insurance contracts with fixed and guaranteed terms:		
Gross premium written	385,039	296,554
Movement in Life fund		
Short-term insurance contracts:		
Gross premium written (see note 6 above)	17,632,188	13,406,782
Change in unearned premium provision (see note 6 above)	(1,194,369)	(1,028,484)
Gross premium income	16,822,858	12,674,852
Reinsurance outward:		
Short-term reinsurance contract	(8,123,978)	(6,450,426)
Long-term reinsurance contracts	(44,475)	(37,129)
	(8,168,453)	(6,487,555)
Changes in prepaid reinsurance premium (see note 20(a))	255,162	657,671
Changes in prepaid minimum and deposit insurance (see note 20(b))	(50,951)	(2,706)
Reinsurance expense	(7,964,242)	**(5,832,590)**
Net premium income	8,858,616	6,842,262

6.2 Fees and commission income on insurance

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Commissions (see note 32(a))	1,120,499	980,428
	1,120,499	980,428

7 Profit on deposit administration

	31-Dec-2022	31-Dec-2021
Income		
Interest income	28,704	20,693
	28,704	20,693
Expense		
Guaranteed interest (see note 28)	(2,295)	(17,154)
	(2,295)	(17,154)
Profit on deposit administration	26,409	3,539

8 Gross benefits and claims incurred

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Short term business	8,584,077	**6,587,603**
Long term business (see note 29(b)(I))	229,329	136,829
	8,813,406	6,724,432

Notes to the Financial Statements
For the year ended 31 December 2022

	31-Dec-2022			31-Dec-2021		
	Paid claims N'000	Changes in outstanding claims and IBNR N'000	Total claims incurred N'000	Paid claims N'000	Changes in outstanding claims and IBNR N'000	Total claims incurred N'000
- Short term insurance contracts:						
Motor	955,602	223,524	1,179,127	564,855	(61,924)	502,931
Fire	746,113	(34,175)	711,937	1,450,999	290,424	1,741,423
Bond	-	4,477	4,477	-	5,450	5,450
General accident	1,368,494	413,616	1,782,110	295,956	181,445	477,401
Marine and aviation	389,859	327,748	717,607	239,850	68,200	308,050
Engineering	68,587	(39,136)	29,451	642,267	101,952	744,219
Oil and energy	44,993	(65,691)	(20,698)	189,785	(211,109)	(21,324)
Agriculture	63,588	40,772	104,360	-	-	
Health insurance	1,752,389	(364,605)	1,387,784	1,091,598	199,461	1,291,059
Group life	2,178,205	509,716	2,687,921	1,488,258	50,136	1,538,394
	7,567,830	1,016,247	8,584,077	5,963,568	624,035	6,587,603
Claims and loss adjustment expense	-	-	-	-	-	-
Total benefits and claims paid on short term insurance contracts:	7,567,830	1,016,247	8,584,077	5,963,568	624,035	6,587,603
- Long-term insurance contracts:						
Individual life (see Note 29(b)(I))	229,641	(312)	229,329	169,736	(32,907)	136,829
Claims and loss adjustment expense	-	-	-	-	-	-
Total benefits and claims incurred on long term insurance contracts	229,641	(312)	229,329	169,736	(32,907)	136,829
Total gross benefits and claims incurred	7,797,471	1,015,935	8,813,406	6,133,304	591,128	6,724,432

Significant growth was noticed in claims incurred during the year when compared with prior year.This is not dissociated from huge claims exposure arising from "Endsars protest " of 2020 which negatively affect the industry at large.Besides,the company also paid claims of about N1billion naira on two major accounts.

9 Benefits and claims recoverable from reinsurers

	31-Dec-2022 N'000	31-Dec-2021 N'000
Short-term business	3,882,861	3,218,810
Long-term business	(4,412)	(2,241)
	3,878,449	3,216,569

Notes to the Financial Statements
For the year ended 31 December 2022

(a) **Breakdown of claims & benefit recoverable from reinsurers**

	31-Dec-2022			31-Dec-2021		
	Short term	Long term	Total	Short term	Long term	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	371,253	-	371,253	87,567	-	87,567
Fire	437,776	-	437,776	726,280	-	726,280
Bond	-	-	-	-	-	-
General accident	656,350	-	656,350	822,090	-	822,090
Marine and aviation	60,321	-	60,321	255,005	-	255,005
Engineering	27,914	-	27,914	102,636	-	102,636
Oil and energy	29,635	-	29,635	(371,303)	-	(371,303)
Agriculture	46,891	-	46,891	17,730	-	17,730
Individual life	-	-	-	-	(5,882)	(5,882)
Group life	585,305	-	585,305	327,167	-	327,167
Health insurance	1,184,403	-	1,184,403	1,013,148	-	1,013,148
Reinsurance portion of IBNR	483,013	(4,412)	478,601	238,490	3,641	242,131
	3,882,861	**(4,412)**	**3,878,449**	**3,218,810**	**(2,241)**	**3,216,569**

(b) **Breakdown of claims and benefits recoverable from reinsurers**

	31-Dec-2022			31-Dec-2021		
	Claims recovered from reinsurers	Changes in reinsurance share of outstanding claims and IBNR	Total claims and benefits recoverable from reinsurers	Claims recovered from reinsurers	Changes in reinsurance share of outstanding claims and IBNR	Total claims and benefits recoverable from reinsurers
	N'000	N'000	N'000	N'000	N'000	N'000
- Short term insurance contracts:						
Motor	99,175	278,691	377,866	49,215	36,164	85,379
Fire	358,351	165,160	523,511	575,431	238,878	814,309
Bond	-	2,663	2,663	-	2,180	2,180
General accident	328,898	543,755	872,654	549,402	308,148	857,550
Marine and aviation	26,102	61,103	87,204	205,736	46,400	252,136
Engineering	18,950	(16,781)	2,169	82,340	73,361	155,701
Oil and energy	6,611	(16,206)	(9,596)	46,321	(417,093)	(370,772)
Agriculture	(13,178)	13,178	-	-	-	
Group life	603,556	215,200	818,755	279,147	112,028	391,175
Health insurance	1,298,555	(90,919)	1,207,636	829,925	201,227	1,031,152
Total benefits and claims recovered on short term insurance contracts:	**2,727,018**	**1,155,843**	**3,882,861**	**2,617,517**	**601,293**	**3,218,810**
- Long-term insurance contracts:						
Individual life	-	(4,412)	(4,412)	(8,448)	6,207	(2,241)
Claims and loss adjustment expense	-	-	-	-	-	-
Total benefits and claims recovered on long term insurance contracts	-	(4,412)	(4,412)	(8,448)	6,207	(2,241)
Total gross benefits and claims recovered	**2,727,018**	**1,151,431**	**3,878,449**	**2,609,069**	**607,500**	**3,216,569**

Notes to the Financial Statements
For the year ended 31 December 2022

10 Acquisition expenses

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Short term business	2,320,665	1,514,378
Long term business	401,538	395,535
	2,722,203	**1,909,913**

Analysis of acquisition expenses:

	31-Dec-2022			31-Dec-2021		
	Short term	Long term	Total	Short term	Long term	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	164,464	-	164,464	127,831	-	127,831
Fire	244,174	-	244,174	177,455	-	177,455
Bond	33,782	-	33,782	4,320	-	4,320
General accident	311,180	-	311,180	172,393	-	172,393
Marine and aviation	249,544	-	249,544	198,445	-	198,445
Engineering	95,357	-	95,357	97,275	-	97,275
Oil and energy	817,507	-	817,507	461,225	-	461,225
Agriculture	29,003	-	29,003	16,384	-	16,384
Individual life	-	21,747	21,747	-	22,707	22,707
Health insurance	375,654	-	375,654	259,050	-	259,050
Group life	-	379,791	379,791	-	372,828	372,828
	2,320,665	**401,538**	**2,722,203**	**1,514,378**	**395,535**	**1,909,913**

11 Maintenance expenses

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Short term business	549,986	458,225
Long term business	17,178	14,679
	567,164	**472,904**

Analysis of maintenance expenses:

	31-Dec-2022			31-Dec-2021		
	Short term	Long term	Total	Short term	Long term	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	20,390	-	20,390	15,497	-	15,497
Fire	12,823	-	12,823	10,933	-	10,933
Bond	2,298	-	2,298	1,629	-	1,629
General accident	13,822	-	13,822	11,198	-	11,198
Marine and aviation	156,020	-	156,020	108,488	-	108,488
Engineering	3,828	-	3,828	5,068	-	5,068
Oil and energy	17,490	-	17,490	20,419	-	20,419
Agriculture	4,112	-	4,112	2,431	-	2,431
Individual life	-	17,178	17,178	-	14,679	14,679
Health	153,045	-	153,045	120,251	-	120,251
Group life	166,158	-	166,158	162,312	-	162,312
	549,986	**17,178**	**567,164**	**458,225**	**14,679**	**472,904**

Notes to the Financial Statements

For the year ended 31 December 2022

12 Net Investment income

		31-Dec-2022	31-Dec-2021
		N'000	N'000
12 (a)	**Investment income:**		
	Interest income using the effective interest method:		
	Financial assets at amortised cost -interest income (Note 18 (c) (i))	1,314,446	1,039,828
	Financial assets at FVOCI- Interest income (Note 18 (c) (ii))	-	8
	Cash and cash equivalents - Interest income	151,445	117,826
	Total Investment Income	1,465,891	1,157,662
	Other investment income		
	Dividend income	4,045	10,014
	Gain on financial assets disposal	10,043	-
	Statutory deposit - Interest income	20,984	12,718
		35,072	22,732
		1,500,963	**1,180,394**
12 (b)	**Commissions and charges**		
	Treasury bills	(6,862)	-
		1,494,101	**1,180,394**

13(a) Other income

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Unrealized net foreign exchange gain (see note 13(a)(ii) below)*	592,456	130,367
Interest on staff loans (Notional interest) (note 18(c)	3,884	63,000
Bad debt recovery	-	26,564
Other sundry income (note 13(a)(I))	175,353	4,423
Profit on sale of property and equipment (See note 43.2)	72,565	29,754
Fair value loss on matured financial instrument measured at FVOCI (P&L) (note 18b)	-	(4,578)
	844,258	**249,530**

*This relates to volatility in exchange rates when transactions are booked at a rate which is different from applicable rate that is applied when settlement is made due to different transaction bookings and settlements date.

13(a)(I) Other sundry income relates to cash/money received by the Company that could not be recognised as premium due to the expiration of the cover/policy year.

13(a) Other income - continued

		31-Dec-2022	31-Dec-2021
13(a)(ii)	Breakdown of unrealized net foreign exchange gain	N'000	N'000
	Cash and cash equivalents	59,246	95,876
	Financial assets - amortised cost	533,210	34,491
		592,456	**130,367**

13(b)(I) Fair value gain on investment property

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Fair value gain on investment property (see note 23)	730	3,359
	730	**3,359**

Notes to the Financial Statements

For the year ended 31 December 2022

13(b)(ii) Loss on disposal of investment property

	31-Dec-2022 N'000	31-Dec-2021 N'000
Loss on disposal of investment property_2021:Lugbe Shop (see note 23)	-	128
	-	**128**

Loss on disposal of investment property relates to difference between the asset book value and proceeds from disposal including all incidental cost relating to the sales.

14 Credit loss expense /(reversal) on financial assets

	31-Dec-2022 N'000	31-Dec-2021 N'000
Credit loss(reversal)/ expense on cash and cash equivalents (see note 17(b)	(2,825)	(1,578)
Credit loss(reversal)/expense on financial assets at amortised cost (see note 18(a))	21,899	(253)
Credit loss(reversal) on debt instrument at FVOCI (see note 18(b)(ii)	-	(1,900)
Credit loss expense on trade receivables (see note 19(c)(I))	5,005	32,072
Credit loss(reversal)/ expense on other receivables (see note 21(c))	(92,013)	(24,357)
	(67,934)	**3,984**

15(a) *Personnel expenses*

	31-Dec-2022 N'000	31-Dec-2021 N'000
Salaries and wages	1,385,192	1,145,336
Medical	48,350	47,520
Staff training	62,091	41,173
Prepaid staff benefit expensed	-	51,301
Employer's Pension contribution	40,408	39,281
ITF & staff insurances	40,338	36,722
	1,576,379	**1,361,333**

Additional disclosures required under company law is given in note 40.

Notes to the Financial Statements

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15(b) Other operating expenses

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Depreciation (note 26)	176,314	216,956
Board and AGM expenses**	335,355	40,000
NAICOM and other regulatory fees	180,173	142,401
Direct expenses*	112,084	93,743
Advertisement and publicity	148,647	156,798
Directors' emoluments - Note 40 (b)	97,440	139,629
Repairs and maintenance	131,514	127,124
Professional fees****	55,479	60,767
Marketing expenses	336,313	124,890
Electricity and diesel expenses	97,024	58,876
Auditor's remuneration*****	25,000	25,000
Rent and rates***	43,911	31,209
Subscription	36,785	31,804
Printing and stationery	17,198	31,095
Postage and Telephone	7,731	11,745
Transport and travel expenses	27,962	21,391
Fueling	15,626	22,730
Cleaning	17,406	14,116
Donations and charity expenses	4,712	16,466
Security	6,237	5,231
Amortization (note 25)	8,820	4,410
Filing fees	2,162	1,368
	1,883,893	**1,377,749**

*Direct expenses relate to expenses incurred in providing insurance services. This includes actuarial fees ,bank charges,stamp duties,group expenses etc.

**The significant increase is due to retirement/exit benefit paid to retired directors during the year

***This relates to expenses incurred on rent of property whose rent terms is less than 12 calender months

**** This relates to fees paid to other professionals who rendered services to the entity during the year such legal services,property valuation,consultancy etc.

*****The external auditors did not perform any non-audit services during the year ended 31 December 2022.

16 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year. There are no potential dilutive shares.

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Profit attributable to equity holders (N'000)	873,472	281,918
Weighted average number of ordinary shares in issue ('000)	18,000,000	18,000,000
Basic and diluted earnings per share (kobo)	5	2

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17 Cash and cash equivalents

Cash and cash equivalents comprise:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Cash in hand	109	257
Due from banks and other financial institutions (see notes 17(b) below) (net)	2,080,553	2,660,877
	2,080,662	**2,661,134**

17 (a) For cash flow purpose, cash and cash equivalents comprise:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Cash in hand	109	257
Current accounts	363,497	555,662
Short term placements	1,724,557	2,115,541
Cash and cash equivalents per statement of cash flows.	2,088,163	2,671,460
Allowance for expected credit loss on cash and cash equivalents (see note 17(b)	(7,501)	(10,326)
Cash and cash equivalents per statement of financial position	**2,080,662**	**2,661,134**

Short-term deposits are made up of various bank deposits and placement of diferent period ranging from one day and three months, depending on the immediate cash requirements of the Company.

	31-Dec-2022	31-Dec-2021
17 (b) Due from banks and other financial institutions	N'000	N'000
Current accounts	363,497	555,662
Short term placements	1,724,557	2,115,541
	2,088,054	2,671,203
Allowance for expected credit loss on cash and cash equivalents (see notes 17(b)&5.6)	(7,501)	(10,326)
	2,080,553	**2,660,877**

	31-Dec-2022	31-Dec-2021
Movement in impairment	N'000	N'000
At 1 January	10,326	11,904
Credit loss (reversal)/charge during the year (note 14)	(2,825)	(1,578)
At 31 December	**7,501**	**10,326**

18 Financial assets

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Amortized cost (note 18(a))	16,021,725	13,832,307
Fair value through other comprehensive income (note 18(b))	320,011	264,051
	16,341,736	**14,096,358**

Notes to the Financial Statements

For the year ended 31 December 2022

18 (a) Financial assets at amortised cost

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Long term deposit with financial institutions	-	127,855
Bonds	16,037,430	13,543,696
Staff loans	5,332	165,293
Loans to policy holders	15,595	10,196
	16,058,357	13,847,040
Allowance for expected credit loss on financial asset at amortised cost	(36,632)	(14,733)
	16,021,725	**13,832,307**

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	14,733	14,986
Credit loss (reversal)/charge during the year (note 14)	21,899	(253)
At 31 December	**36,632**	**14,733**

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

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Unlisted equities	54,169	54,169
Listed equities	111,249	111,249
Fair value movement on Financial asset classified at FVOCI	154,594	98,634
	320,011	**264,051**

Movement in fair value

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	98,634	31,521
Fair value gain on matured Financial instrument measured at FVOCI (P&L)	-	4,578
Net fair value changes during the year	55,960	62,535
At 31 December	**154,594**	**98,634**

(18(b)I) Net fair value changes during the year(net of tax)

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Net fair value gain or loss on debt instruments at FVOCI	-	(28,556)
Net fair value gain on equity instrument at FVOCI	55,960	91,091
	55,960	62,535
Deferred tax	(5,596)	-
	50,364	**62,535**

(18(b)ii) Allowance for expected credit loss_debt instrument at FVOCI

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	-	1,900
Credit loss (reversal)during the year (note 14)	-	(1,900)
At 31 December	-	-

Notes to the Financial Statements

For the year ended 31 December 2022

18 (c) The movement in financial assets may be summarized as follows:

	Amortized Cost	FVOCI	Total
	N'000	**N'000**	**N'000**
Balance as at 1 January 2021	11,868,423	625,622	12,494,045
Purchase/additions	2,225,561	-	2,225,561
Exchange gain (Note 13 (a))	34,491	-	34,491
Repayment and disposals (sale and redemption)	(1,399,248)	(428,692)	(1,827,940)
Interest income earned for the year (Note 12(a))	1,039,828	8	1,039,836
Interest income (Notional) on staff loan (note 13(a))	63,000	-	63,000
Fair value gain		62,535	62,535
Reversal of fair value on disposed financial assets		4,578	4,578
Allowance for expected credit loss	253	-	253
At 31 December 2021	**13,832,307**	**264,051**	**14,096,358**
Purchase/additions	3,093,867	-	3,093,867
Exchange gain (Note 13 (a))	533,210	-	533,210
Repayment and disposals (sale and redemption)	(2,734,091)	-	(2,734,091)
Interest income earned for the year (Note 12(a))	1,314,446	-	1,314,446
Interest income (Notional) on staff loan (note 13(a))	3,884	-	3,884
Fair value gain	-	55,960	55,960
Allowance for expected credit loss	(21,899)	-	(21,899)
At 31 December 2022	**16,021,725**	**320,011**	**16,341,736**

18 (c)(i) Movement in financial assets at amortised cost may be summarised as follows;

Assets measured at amortised cost	**Bonds**	**Long term deposit**	**Staff loans**	**Loans to policy holders**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Balance as 1 January 2021	11,648,880	-	212,361	7,182	11,868,423
Purchase/additions	2,094,105	127,855	-	3,601	2,225,561
Exchange gain	34,491	-	-	-	34,491
Repayment and disposals (sale and redemption)	(1,288,591)	-	(110,070)	(587)	(1,399,248)
Interest income earned for the year	1,039,828	-	-	-	1,039,828
Interest income (Notional) on staff loan			63,000		63,000
Allowance for expected credit loss	253		-	-	253
Balance as at 31 December 2021	**13,528,966**	**127,855**	**165,291**	**10,196**	**13,832,307**
Purchase/additions	3,086,122	-	-	7,745	3,093,867
Exchange gain	533,210	-	-	-	533,210
Repayment and disposals (sale and redemption)	(2,440,047)	(127,855)	(163,843)	(2,346)	(2,734,091)
Interest income earned for the year	1,314,446	-	-	-	1,314,446
Interest income (Notional) on staff loan	-	-	3,884	-	3,884
	16,022,697	-	5,332	15,595	16,043,624
Allowance for expected credit loss	(21,899)	-	-	-	(21,899)
Balance as at 31 December 2022	**16,000,798**	**-**	**5,332**	**15,595**	**16,021,725**

Notes to the Financial Statements
For the year ended 31 December 2022

18 (c) (ii) Movement in financial assets at FVOCI may be summarised as follows;

FVOCI	Unlisted equities	Treasury bills	Listed equities	Total
	N'000	N'000	N'000	N'000
Balance as 1 January 2021	75,638	382,826	167,158	625,622
Purchase/additions*	-	-	-	-
Repayment and disposals (sale and redemption)	-	(428,691)	-	(428,691)
Interest income earned for the year	-	8	-	8
Fair value gain	11,459	41,279	9,797	62,535
Reversal of fair value on matured financial assets	-	4,578	-	4,578
Balance as at 31 December 2021	**87,097**	**-**	**176,955**	**264,052**
Fair value gain	12,797	-	43,163	55,960
Balance as at 31 December 2022	**99,894**	**-**	**220,118**	**320,011**

19 Trade receivables

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Premium receivables (note 19(a))	167,921	110,343
Recoverables from coinsurers on claims from Non-life businesses (see note 19(b))	5,323	150,608
Recoverables from coinsurers on claims from Life businesses (note 19©)	166,292	27,030
	339,536	287,981
Due within 12 months	339,536	287,981
Due after 12 months	-	-
Analysis of receivable due within 12 months:		
Within 30 days	302,299	250,744
Above 30 days	37,237	37,237

Recovery from claims paid from coinsurers are amount due from other insurance companies in respect of claims paid to clients on behalf of co-insurers, particularly where the Company led in some policies. It is the Company's policy to ensure prompt payment of claims to clients.

19 (a) Premium receivables

	31-Dec-2022	31-Dec-2021
Premium receivable from agents, brokers and intermediaries	N'000	N'000
Due from insurance companies	20,016	-
Due from brokers	147,905	110,343
	167,921	110,343

Age Analysis of premium receivables

		2022		2021	
S/N	Age of Debt	No of Policies	Amount	No of Policies	Amount
			N'000		N'000
1	Within 14 Days	72	105,036	77	67,322
2	Within 15- 30 Days	26	10,311	19	43,021
3	Within 31 - 90 Days	63	52,574	-	-
4	Within 91- 180 Days	-		-	-
5	Above 180 Days	-		-	-
	Total	**161**	**167,921**	**96**	**110,343**

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For the year ended 31 December 2022

All premium receivables are designated as Trade receivables and their carrying values approximate fair value at the reporting date. A total amount of ?168m (2021: ?110m) was received after year end."

		31-Dec-2022	31-Dec-2021
19 (b)	**Recoverables from coinsurers on claims from Non-life businesses**	**N'000**	**N'000**
	Due from coinsurers	5,323	150,608
		5,323	**150,608**

Age Analysis of Recoverables from coinsurers on claims from Non-life businesses

	31-Dec-2022	31-Dec-2021
	N'000	**N'000**
Due within 0-90 days	3,194	90,365
Due within 91-180 days	2,129	60,243
Due above 180 days	-	-
	5,323	**150,608**

		31-Dec-2022	31-Dec-2021
19 (c)	**Recoverables from coinsurers on claims from Life businesses**	**N'000**	**N'000**
	Due from coinsurers	239,426	95,159
	Allowance for expected credit loss (see note 19 (c)(I) below)	(73,134)	(68,129)
		166,292	**27,030**

Age Analysis of Recoverables from coinsurers on claims from Life businesses

	31-Dec-2022	31-Dec-2021
	N'000	**N'000**
Due within 0-90 days	35,720	14,200
Due within 91-180 days	32,380	12,830
Due above 180 days	171,326	68,129
	239,426	**95,159**

19 (c) (i) Movements on the Allowance for expected credit loss of recoverables from coinsurers on claims from life businesses are as follows:

	31-Dec-2022	31-Dec-2021
	N'000	**N'000**
At 1 January	68,129	36,057
Credit loss expense	5,005	32,072
Net movement during the year	5,005	32,072
At 31 December	**73,134**	**68,129**

Notes to the Financial Statements
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20 Reinsurance assets

	Life	Non-Life	31-Dec-2022	31-Dec-2021
	N'000	N'000	N'000	N'000
Prepaid reinsurance premium (including group life + health) (note 20 (a))	614,471	991,992	1,606,463	1,351,301
Prepaid minimum and deposit reinsurance (note 20 (b))	-	-	-	50,951
Reinsurance share of outstanding claims (note 20)(c)	54,263	607,823	662,086	955,240
Reinsurance share of IBNR (note 20 (d))	417,462	825,608	1,243,070	760,056
Reinsurance share of claims paid (not yet recovered) (note 20(g))	234,040	822,862	1,056,902	-
Reinsurance share of IBNR on individual life (note 20(e))	3,777	-	3,777	8,189
Reinsurance Recoverable on Paid claims (Health Insurance)(note 20(f))	-	-	-	90,919
	1,324,013	3,248,285	4,572,298	3,216,656
Due within 12 months	**1,324,013**	**3,248,285**	**4,572,298**	**3,216,656**

20 (a) Changes in prepaid reinsurance premium

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	1,351,301	693,630
Additions during the year	8,219,404	6,490,261
Amortization during the year (note 6.1)	(7,964,242)	(5,832,590)
At 31 December	1,606,463	1,351,301
Net changes (see note 6.1)	**255,162**	**657,671**

20 (b) Prepaid minimum and deposit reinsurance

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	50,951	53,657
Additions during the year	-	50,951
Amortization during the year	(50,951)	(53,657)
At 31 December	-	50,951
Net changes (see note 6.1)	**(50,951)**	**(2,706)**

20 (c) Movement in reinsurance recoverable on outstanding claims

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	955,240	680,789
Movement during the year	(293,154)	274,451
At end of year	**662,086**	**955,240**

20 (d) Movement in reinsurance portion of IBNR

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	760,056	521,567
Movement during the year (see note 9)	483,014	238,489
At end of the year	**1,243,070**	**760,056**

Notes to the Financial Statements

For the year ended 31 December 2022

20 (e) Movement in reinsurance portion of IBNR_Individual life

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	8,189	4,548
Movement during the year (see note 9)	(4,412)	3,641
At end of year	**3,777**	**8,189**

20 (f) Movement in reinsurance recoverable on paid claims (Health Insurance)

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	90,919	-
Movement during the year (see note 9)	(90,919)	90,919
At end of year	-	**90,919**

20 (g) Movement in reinsurance share of claims paid (not yet recovered)

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	-	-
Movement during the year (see note 9)	1,056,902	-
At end of year	**1,056,902**	-

21 Other receivable and prepayments

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Prepaid expenses (see note 21(a) below)	130,104	136,820
Other receivables (see note 21(b)below)	48,415	46,415
Total recievable and prepayments	**178,519**	**183,235**

21 (a)

	31-Dec-2022	31-Dec-2021
Breakdown of prepaid expenses:	N'000	N'000
Prepaid staff receivables (21(a)(I))	109,207	81,748
Computer maintenance	413	2,598
Rent and rates	5,007	7,449
Legal, professional and consultancy fees	-	31,975
Insurance and subscriptions	15,477	13,050
	130,104	**136,820**

21(a) (i) Prepaid staff benefit consist of the following;

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Cash advance	23,546	3,362
Staff prepaid medical advances	229	-
Other staff allowances	15,069	8,023
Prepaid staff loan benefit*	70,363	70,363
	109,207	**81,748**

Notes to the Financial Statements
For the year ended 31 December 2022

*Staff are entitled to loans which are repayable through monthly payroll deductions (see note 18(a)). The loans are given at a rate that is below the general market interest rate.

The difference between the market interest rate and the rate at which these loans are advanced to staff are recognised as staff prepaid benefit. This is amortised over the tenor of the loan.

Movement in prepaid staff loan benefit during the period may be represented as follows;

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Opening balance	70,363	121,664
Amortization of prepaid staff benefit (Note 15(a))	-	(51,301)
	70,363	**70,363**

		31-Dec-2022	31-Dec-2021
21 (b)	*Breakdown of other receivables*	N'000	N'000
	Withholding tax receivable	67,011	65,011
	Dividend receivable on equities	3,732	3,732
	Receivable from Resort Savings & Loans Limited (Note 21(b)(I))	84,315	84,315
	Loan to exited staff (note 21(b)(ii))	65,604	126,117
	Motor vehicle loans to exited staff reclassified from property and equipment (Note 21(b)(ii))	-	31,500
	Other receivables	25,185	25,185
		245,847	335,860
	Allowance for impairment (note 21('c))	(197,432)	(289,445)
		48,415	**46,415**

21 (b) (i) Amount represents placements with Resort Savings Limited, which also became long-term and therefore no longer meet the criteria to be classified as cash and cash equivalent.

Due to the inability of the institution to repay the principal and interest accrued at the expiration of the contractual tenor,this amount has been subject to ECL allowance provisions of IFRS 9

21 (b) (ii) Loans to exited staff represent the outstanding balance of the loans advanced to Company personnel who resigned as employee of the Company before and during the year. The exited staff involved did not have exit packages that could net off these loans at the time of their exit, hence the Company obtained payment plans from staff at their exit, which they have not been able to fulfil in the current year and in line with Company's policy to assess impairment on unpaid balances, outstanding amounts have been impaired accordingly.

21 (c) Movement on the allowance for expected credit loss of Other receivables are as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	289,445	313,802
Credit loss reversal during the year (note 14)	(92,013)	(24,358)
At 31 December	**197,432**	**289,445**

The Gross amount of financial assets included in other receivables is N178 Million (2021: N271 Million) while related impairment is N178 Million (2021: N271Million) as shown below;This excludes statutory deductions such as witholding tax receivables.

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NSIA INSURANCE

Notes to the Financial Statements
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31 December 2022		ECL Impairment			
	Gross amount	Opening balance	Charge/ (reversal)	Closing balance	Net Amount
	N'000	N'000	N'000	N'000	N'000
Withholding tax receivable	67,011	18,596	-	18,596	48,415
Dividend receivable on equities	3,732	3,732	-	3,732	-
Receivable from Resort Savings & Loans Limited (Note 21(b)(I))	84,315	84,315	-	84,315	-
Loan to exited staff (note 21(b)(ii))	65,604	126,117	(60,513)	65,604	-
Motor vehicle loans to exited staff	-	31,500	(31,500)	-	-
Other receivables	25,185	25,185	-	25,185	-
	245,847	**289,445**	**(92,013)**	**197,432**	**48,415**

31 December 2021		ECL Impairment			
	Gross amount	Opening balance	Charge/ (reversal)	Closing balance	Net Amount
	N'000	N'000	N'000	N'000	N'000
Withholding tax receivable	65,011	18,596	-	18,596	46,415
Dividend receivable on equities	3,732	3,732	-	3,732	-
Receivable from Resort Savings & Loans Limited (Note 21(b)(I))	84,315	84,315	-	84,315	-
Loan to exited staff (note 21(b)(ii))	126,117	142,644	(16,527)	126,117	-
Motor vehicle loans to exited staff	31,500	31,500		31,500	-
Other receivables	25,185	33,016	(7,831)	25,185	-
	335,860	**313,803**	**(24,358)**	**289,445**	**46,415**

22 Deferred acquisition costs

Deferred acquisition costs represent commissions relating to the unexpired period of risks and comprise:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Motor	81,282	45,164
Fire	91,822	51,267
Bond	27,989	3,020
General accident	78,189	56,595
Marine and aviation	75,657	54,348
Engineering	41,516	42,168
Oil and gas	139,190	72,313
Agriculture	8,452	3,572
	544,097	**328,447**

22 (a) Movement in deferred acquisition cost:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Balance as at 1 January	328,447	304,995
Acquisition cost during the year	2,937,856	1,933,365
Amortization during year (Note 10)	(2,722,206)	(1,909,913)
Balance as at 31 December	544,097	328,447
Due within 12 months	**544,097**	**328,447**

Notes to the Financial Statements

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22 (b) Breakdown of deferred acquisition cost by risk class

	At 1 January 2021	Movement	"At 31 December 2021"	Movement	"At 31 December 2022"
	N'000	N'000	N'000	N'000	N'000
Motor	45,749	(585)	45,164	36,118	81,282
Fire	50,694	573	51,267	40,555	91,822
Bond	706	2,314	3,020	24,969	27,989
General accident	42,564	14,031	56,595	21,594	78,189
Marine and aviation	62,717	(8,369)	54,348	21,309	75,657
Engineering	51,582	(9,414)	42,168	(652)	41,516
Oil and gas	50,983	21,330	72,313	66,877	139,190
Travel	-	3,572	3,572	4,880	8,452
	304,995	**23,452**	**328,447**	**215,650**	**544,097**

23 Investment property

(a) Reconciliation of carrying amount

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	246,300	249,215
Disposal	-	(6,274)
Fair value gain	730	3,359
At 31 December	**247,030**	**246,300**

(b) Reconciliation of Loss on Disposal

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Book value of Property disposed	-	6,274
Net Disposal Proceeds	-	(6,146)
	-	**128**

The balance in this account is analyzed below:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Cost	178,355	178,355
Revaluation gains	68,675	67,945
At 31 December	**247,030**	**246,300**

Investment property - continued

In thousands of Naira

Location	Nature of title held	At 1 January 2022	Addition	Disposal	Revaluation surplus	31-Dec-2022
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	246,300	-	-	730	247,030
Total		**246,300**	**-**	**-**	**730**	**247,030**

Notes to the Financial Statements

For the year ended 31 December 2022

*This represents the property taken over in the asset debt swap between ASO Savings and Loans Plc and NSIA Insurance Limited, representing a full and final settlement of all outstanding recievable from ASO Saving. The amount recievable from ASO Savings (Note 21(b)) was written off and the equivalent amount recognised as the purchase value of the aformentioned complex. The value of the complex was subsequently revalued and a revalutaion gain of N63m was recognised till date. During 2018 financial year, the Company received property of 76 shops at Lugbe market in exchange for a sum of N180,814,000 being owed to it by ASO Savings and Loans Plc. The fair value of the property at the date of transfer was N186,300,000. As at end of 2022 financial year,total of 3(three) shop with a carrying amount of N9,333,000 have been disposed and the the fair value for the remaining 73 shops as at 2022 year end is N247,030,000.

"The valuer used by the Company is A.C. Otegbulu & Partners (FRC/2020/00000013597 (Engagement partner:A.C.Otegbulu (FRC/2013/NIESV/00000001582))."

In thousands of Naira

Location	Nature of title held	At 1 January 2021	Addition	Disposal	Revaluation surplus	31-Dec-2021
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	249,215	-	(6,274)	3,359	246,300
Total		**249,215**	**-**	**(6,274)**	**3,359**	**246,300**

The Company has executed deed of assignment on all the investment properties. The Company has applied to register the deed of assignment with the Lagos State Lands Registry and the Federal Capital Territory Land registry respectively

(b) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment property has been determined by a reputable estate surveyors and valuers using the sales comparative method of valuation to arrive at the open market value. There is no rental income from investment property during the year and no restrictions on the realisability of the property. The property is held for capital appreciation. The fair value measurement for investment property of N247 million has been categorized as a Level 3 fair value, based on the inputs into the valuation technique used.

(ii) 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	Inter-relationship between key unobservable inputs and fair value measurement
The method of valuation adopted is the Sales Comparison Approach. Under this approach, fiar value market price is determined from available evidence of sale price of comparable sites appropriately adjusted to reflect the differences in the subject property.	"- Prices per plot - Rate of development in the area - Influx of people and/or businesses to the area - Cost run for improvement"	The estimated fair value would increase /decrease if the rate of development in the area increases /decreases and if the influx of people and/or business to the area increases /decreases

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Reconciliation of level 3 fair value

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Fair value as at 1 January	66,312	61,427
Addition during the year	730	6,274
Disposal	-	(1,389)
Fair value as at 31 December 2020	67,042	**66,312**

(iii) **Sensitivity analysis**

Balance as at 31 December

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Fair Value gain	68,675	67,945
+10% movement in open market price	6,868	6,212
- 10% movement in open market price	**(6,868)**	**(6,212)**

24 Deferred tax liabilities

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	593,091	588,063
Charge to profit and loss account for the year	73	372
Items in other comprehensive income	8,600	4,656
At 31 December	**601,764**	**593,091**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2020: 10%) on investment properties and on the revaluation surplus of land & building and 30% (2020: 32%) on other items.

Deferred income tax assets and liabilities are attributable to the following items:

31 December 2022	Net balance at 1 January	Recognized in profit or loss	Recognized in OCI	Deferred tax liabilities
	N'000	N'000	N'000	N'000
Property and equipment	536,311	-	3,004	539,315
Fiancial Assets designated at fair value through other comprehensive income	-	-	5,596	5,596
Investment properties	56,779	73	-	56,852
Total	**593,091**	**73**	**8,600**	**601,764**

31 December 2021	Net balance at 1 January	Recognized in profit or loss	Recognized in OCI	Deferred tax liabilities
	N'000	N'000	N'000	N'000
Property and equipment	531,656	-	4,656	536,311
Investment properties	56,407	372	-	56,779
Total	**588,063**	**372**	**4,656**	**593,091**

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25 Intangible assets

As at 31 December 2022	Computer Software
Cost	**N'000**
At 1 January,2022	229,256
At 31 December,2022	**229,256**
Accumulated amortization	
At 1 January,2022	216,026
Amortization charge for the year	8,820
At 31 December,2022	**224,846**
Carrying amount	
At 31 December,2022	**4,410**

As at 31 December 2021

	Computer Software
Cost	**N'000**
At 1 January	229,256
As at 31 December 2021	**229,256**
Accumulated amortization	
At 1 January	216,026
Amortization charge for the year	4,410
As at 31 December 2021	**220,436**
Carrying amount	
As at 31 December 2021	**8,820**

Notes to the Financial Statements
For the year ended 31 December 2022

26 Property and equipment

At 31 December 2022	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Total
Cost/Revalued amount	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2022	1,333,231	2,170,436	75,460	287,293	200,173	311,398	771,796	29,040	5,178,828
Additions	-	-	-	5,622	19,263	170	316,593	-	341,647
Disposals	(142,201)	(148,084)	-	-	-	-	-	-	(290,285)
Reclassification within PPE	-	16,520	2,151	-	4,369	-	6,000	(29,040)	-
Revaluation surplus	3,772	26,268	-	-	-	-	-	-	30,040
At 31 December 2022	**1,194,802**	**2,065,140**	**77,611**	**292,915**	**223,804**	**311,568**	**1,094,389**	**-**	**5,260,229**
Accumulated depreciation									
At 1 January 2022	-	213,353	52,394	250,013	172,104	290,819	626,455	-	1,605,138
Charge for the year	-	43,827	3,320	17,902	12,504	12,074	86,687	-	176,314
Disposals	-	(4,429)	-	-	-	-	-	-	(4,429)
Impairment loss								-	-
At 31 December 2022	-	252,751	55,714	267,915	184,608	302,893	713,142	-	1,777,023
Carrying Amount - 2022	**1,194,802**	**1,812,389**	**21,897**	**25,000**	**39,196**	**8,675**	**381,247**	**-**	**3,483,207**

(i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

(ii) Items of land and building are carried at revalued amount. A valuation was conducted by an external independent valuer, A.C. Otegbulu & Partners, FRC/2013/NIESV/00000001582. They have relevant recognized professional qualifications and experience in the property being valued.

The land and building, were valued using the open market value basis as at 31 December, 2022, hence the depreciation charge was not reversed. The valuation method is on comparable and investment method. The revaluation gain of N30 million arising from the valuation of the Company's building has been recognized in other comprehensive income.

(iii) There were no liens or encumbrances on the assets.

Notes to the Financial Statements

For the year ended 31 December 2022

26 Property and equipment - continued

At 31 December 2021

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
Cost/Revalued amount	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2021	1,330,353	2,125,948	75,460	284,077	186,507	309,863	730,891	29,040	5,072,139
Additions	-	806	-	7,740	13,665	2,593	105,254	-	130,058
Disposals/write-off	-	-	-	(4,525)	-	(1,056)	(64,348)	-	(69,929)
Revaluation surplus	2,878	43,681	-	-	-	-	-	-	46,559
At 31 December 2021	**1,333,231**	**2,170,435**	**75,460**	**287,292**	**200,172**	**311,400**	**771,797**	**29,040**	**5,178,827**
Accumulated depreciation									
At 1 January 2021	-	170,830	49,074	227,609	161,603	255,866	589,162	-	1,454,144
Charge for the year	-	42,524	3,320	26,557	10,501	36,009	98,045	-	216,956
Disposals/write-off	-	-	-	(4,147)	(0)	(1,056)	(60,749)	-	(65,952)
At 31 December 2021	-	213,354	52,394	250,019	172,104	290,819	626,458	-	1,605,148
Carrying Amount - 2021	**1,333,231**	**1,957,081**	**23,066**	**37,273**	**28,068**	**20,581**	**145,339**	**29,040**	**3,573,679**

(i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

(ii) Items of land and building are carried at revalued amount. A valuation was conducted by an external independent valuer, A.C. Otegbulu & Partners, FRC/2013/NIESV/00000001582. They have relevant recognized professional qualifications and experience in the property being valued.

The land and building, were valued using the open market value basis as at 31 December, 2022. The valuation method is on comparable and investment method. The revaluation gain of N46 million arising from the valuation of the Company's building has been recognized in other comprehensive income.

(iii) There were no liens or encumbrances on the assets.

Notes to the Financial Statements
For the year ended 31 December 2022

26 Property and equipment - continued

26 (a) The reconciliation of the historical cost to carrying amount of land and building are as follows:

	31 December 2022		31 December 2021	
	Land	Building	Land	Building
	N'000	N'000	N'000	N'000
Cost	424,349	683,497	544,349	815,061
Accumulated depreciation	-	(252,751)	-	(213,354)
Carrying amount	424,349	430,746	544,349	601,707

26 (b) Breakdown of land and buildings:

	31 December 2022		
	Land N'000	Building N'000	Total N'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,194,802	1,812,389	3,007,191
No. 18 Djibouti Crescent, Wuse II, FCT, Abuja	-	-	-
Total	1,194,802	1,812,389	3,007,191

	31 December 2021		
	Land N'000	Building N'000	Total N'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,190,136	1,809,892	3,000,028
No. 18 Djibouti Crescent, Wuse II, FCT, Abuja	143,095	147,189	290,284
Total	**1,333,231**	**1,957,081**	**3,290,312**

26 (c) Reconciliation of movement in land and buildings:

	Status of Title	1 January 2022	Addition	Depreciation	Disposal	Revaluation Gain	31 December 2022
		N'000	N'000	N'000	N'000	N'000	N'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	Deed of Assignment	3,000,027	-	(39,396)	16,520	30,040	3,007,191
No. 18 Djibouti Crescent, Wuse II, FCT, Abuja	Deed of Assignment	290,285	-	-	(290,285)	-	-
Total		3,290,312	-	(39,396)	(273,765)	30,040	3,007,191

	Status of Title	1 January 2021	Addition	Depreciation	Disposal	Revaluation Gain	31 December 2021
		N'000	N'000	N'000	N'000	N'000	N'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	Deed of Assignment	2,999,889	806	(38,843)	-	38,175	3,000,027
No. 18 Djibouti Crescent, Wuse II, FCT, Abuja	Deed of Assignment	285,584	-	(3,681)		8,382	290,285
Total		**3,285,473**	**806**	**(42,524)**	**-**	**46,557**	**3,290,312**

Notes to the Financial Statements

For the year ended 31 December 2022

27 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act of Nigeria's requirement for the composite insurance companies. The deposit is not available for the day to day operations of the Company and has been disclosed seperately. Interest is earned on this deposit.

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Opening	900,400	900,400
Due after 12 months	**900,400**	**900,400**

28 Investment contract liabilities

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	226,696	192,615
Deposits received	112,615	200,352
Guaranteed interest (see note 7)	2,295	17,154
	341,606	410,121
Less: withdrawals	(186,493)	(183,425)
At 31 December	**155,113**	**226,696**
Due within 12 months	119,437	174,556
Due after 12 months	35,676	52,140
	155,113	**226,696**

The Company has a total sum of N155.1million (2021 - N226.6million) in deposit administered funds.

28 (a) Asset representing investment contract liabilities fund:

Breakdown:

Financial assets @ amortized cost	155,113	226,696
	155,113	226,696

29 Insurance contract liabilities

	31-Dec-2022	31-Dec-2021
Insurance contract liabilities analyzed by Short term and Long term types	N'000	N'000
Short term business (see note 29 (a) below)	9,462,118	7,251,502
Long term business (see note 29 (b) below)	666,916	917,817
Total insurance liabilities	**10,129,034**	**8,169,319**
Due within 12 months	9,462,118	7,251,502
Due after 12 months	666,916	917,817
	10,129,034	**8,169,319**

The Company's insurance contract liabilities above was actuarially determined by Zamara Actuarial Services (FRC/2017/NAS/00000016912) as at 31 December 2021.
Insurance contract liabilities analyzed into Non-life and Life business:

Notes to the Financial Statements

For the year ended 31 December 2022

29 (i) Insurance contract liabilities analyzed by category

in thousands of Nigerian Naira	Life	Non-life	31-Dec-2022	31-Dec-2021
			N'000	N'000
Outstanding claims (see note 29(ii)	2,194,924	3,392,470	5,587,394	4,822,047
Unearned premiums ((see note 29(vi)	1,437,532	3,104,112	4,541,644	3,347,272
	3,632,456	6,496,582	10,129,038	8,169,319
Current	2,965,537	6,496,582	9,462,119	7,251,502
Non-current	666,916	-	666,916	917,817
	3,632,453	**6,496,582**	**10,129,035**	**8,169,319**

29 (ii) Outstanding claims

in thousands of Nigerian Naira	Life	Non-life	31-Dec-2022	31-Dec-2021
			N'000	N'000
Group life and health insurance	1,528,006	-	1,528,006	1,382,895
Individual life	666,917	-	666,917	917,818
Non-life insurance	-	3,392,470	3,392,470	2,521,334
	2,194,923	**3,392,470**	**5,587,393**	**4,822,047**

29 (iii) *Group life and health insurance*

Outstanding claims	31-Dec-2022	31-Dec-2021
	N'000	N'000
Claims reported by policyholders	240,591	839,292
Claims incurred but not reported (IBNR)	1,287,415	543,603
	1,528,006	**1,382,895**

Insurance contract liabilities - continued

The aging analysis of Group life and health outstanding claims

in thousands of Nigerian Naira	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Days	No of claimants	No of claimants	Amount N'000	Amount N'000
0 - 90	-	143	-	566,221
91 - 180	-	57	-	106,446
181 - 270	-	21	-	66,323
271 - 365	-	21	-	11,436
365 and above	190	184	240,591	88,865
			240,591	**839,292**

The ageing of the outstanding claims is measured from the date of the issuance of discharge vouchers to the reporting date for 2022 and 2021.

Notes to the Financial Statements
For the year ended 31 December 2022

29 (iv) Individual life

	in thousands of Nigerian Naira	31-Dec-2022	31-Dec-2021
i	***Outstanding claims***	N'000	N'000
	Claims incurred but not reported (IBNR)	666,915	917,816
		666,915	**917,816**
ii	**Movement in individual life outstanding claims**		
	At 1 January	917,816	688,279
	Changes in actuarial valuation-Individual lifeNote 29(b)(I)	(312)	(32,907)
	Changes in actuarial valuation-Life FundNote 29(b)(iii)	(250,589)	262,444
	At 30 December	**666,915**	**917,816**
iii	**The aging analysis of individual life outstanding claims**		
	No aging - IBNR	666,915	917,816
		666,915	**917,816**

29 (v) Non-life insurance

		31-Dec-2022	31-Dec-2021
i	***Outstanding claims***		
	Claims reported by policyholders	1,745,092	1,473,030
	Claims incurred but not reported (IBNR)	1,647,378	1,048,304
		3,392,470	**2,521,334**
ii	***Movement in Non-life outstanding claims***		
	At 1 January	2,521,334	2,146,896
	Claims incurred in the current year	4,508,372	3,758,150
	Claims paid during the year	(3,637,236)	(3,383,712)
	At 31 December	3,392,470	2,521,334

iii ***The aging analysis of Non-life outstanding claims***

Days	31-Dec-2022 No of claimants N'000	31-Dec-2021 No of claimants N'000	31-Dec-2022 Amt N'000	31-Dec-2021 Amt N'000
0 - 90	378	207	207,204	158,944
91 - 180	218	320	319,844	330,267
181 - 270	201	94	93,573	140,462
271 - 360	181	72	71,794	94,192
361 and above	1,441	1,053	1,052,677	749,165
Total	2,419	1,745	1,745,092	1,473,030
No aging - IBNR	-	-	1,647,378	1,048,304
	2,419	**1,745**	**3,392,470**	**2,521,334**

29 (vi) Unearned premiums

	in thousands of Nigerian Naira	31-Dec-2022	31-Dec-2021
		N'000	N'000
	Group Life and Health	1,437,534	1,243,536
	Non-life	3,104,112	2,103,737
		4,541,646	**3,347,273**
i	***The movement in unearned premium***		
	At 1 January	3,347,276	2,318,792
	Premium written in the period/year	18,017,227	13,703,336
	Premium earned during the period/year	(16,822,858)	(12,674,852)
	At 31 December	**4,541,646**	**3,347,276**

Notes to the Financial Statements
For the year ended 31 December 2022

29 Insurance contract liabilities-continued

	31-Dec-2022				
	Insurance contract liabilities (non life) N'000	Insurance contract liabilites (Life) N'000	Investment contract liabilities (Life) N'000	Total contract liabilities (Life) N'000	Insurance contract liabilities (Total) N'000
Unearned premium (note 29.1(a))	3,104,112	1,437,534	-	1,437,534	4,541,646
Outstanding claims short term (note 29.1(b))	1,745,092	240,591	-	240,591	1,985,683
Oustanding claims long term (note 29.1 (b))	-	12,501	-	12,501	12,501
IBNR (note 29.1(c))	1,647,378	1,287,415	-	1,287,415	2,934,793
Individual life fund (note 29.1(d))	-	654,415	155,113	809,528	654,415
	6,496,582	**3,632,456**	**155,113**	**3,787,569**	**10,129,038**

	31-Dec-2021				
	Insurance contract liabilities (non life) N'000	Insurance contract liabilites (Life) N'000	Investment contract liabilities (Life) N'000	Total contract liabilities (Life) N'000	Insurance contract liabilities (Total) N'000
Unearned premium (note 29.1(a))	2,103,737	1,243,536	-	1,243,536	3,347,273
Outstanding claims short term (note 29.1(b))	1,473,030	839,292	-	839,292	2,312,322
Oustanding claims long term (note 29.1 (b))	-	12,813	-	12,813	12,813
IBNR (note 29.1(c))	1,048,304	543,603	-	543,603	1,591,907
Individual life fund (note 29.1(d))	-	905,004	226,696	1,131,700	905,004
	4,625,071	**3,544,248**	**226,696**	**3,770,944**	**8,169,319**

29.1 Movement in each component of insurance may be represented as follows;

	31-Dec-2022	31-Dec-2021
29.1(a) Movement in Unearned premium during the year;	N'000	N'000
At the beginning of the year	3,347,273	2,318,789
Increase during the year (Note 6.1)	1,194,373	1,028,484
At 31 December	4,541,646	3,347,273

	31-Dec-2022	31-Dec-2021
29.1(b) Movement in Outstanding claims during the year;	N'000	N'000
At the beginning of the year	2,325,135	2,089,497
Increase during the year	(326,951)	235,638
At 31 December	1,998,184	2,325,135

Notes to the Financial Statements

For the year ended 31 December 2022

29.1(c) Movement in IBNR during the year;

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At the beginning of the year	1,591,907	1,236,422
Increase during the year (Note 29.(a)(iii))	1,342,886	355,485
At 31 December	2,934,793	1,591,907

29.1(d) Movement in Individual life during the year;

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At the beginning of the year	905,004	642,560
Increase during the year (Note 29(b)(iii))	(250,589)	262,444
At 31 December	**654,415**	**905,004**

	Non-Life	LIFE	31-Dec-2022	Non-Life	LIFE	31-Dec-2021
	N'000	N'000	N'000	N'000	N'000	N'000
Unearned premium	3,104,112	1,437,532	4,541,644	2,103,737	1,243,535	3,347,272
Outstanding claims	1,745,092	253,093	1,998,185	1,473,030	852,106	2,325,136
IBNR	1,647,378	1,287,416	2,934,794	1,048,304	543,603	1,591,907
Individual life fund	-	654,415	654,415	-	905,004	905,004
	6,496,582	**3,632,456**	**10,129,038**	**4,625,071**	**3,544,248**	**8,169,319**

29.1(e) Movement in Outstanding Claims and IBNR

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Increase during the year (Note 29.1b)	(326,951)	235,638
Increase during the year (Note 29.(a)(iii))	1,342,886	355,485
Net Movement (Note 8)	**1,015,935**	**591,123**

29 (a) Short term insurance business liabilities comprise:

	N'000	N'000
Outstanding claims (see note 29(a)(I))	1,985,683	2,312,322
Claims incurred but not reported (see note 29(a)(iii))	2,934,793	1,591,907
Total short term business outstanding claims	4,920,476	3,904,229
Provision for unearned premium (see note 29(a)(iv))	4,541,642	3,347,273
Total short term business insurance contract liability	**9,462,118**	**7,251,502**

Insurance contract liabilities-continued

29 (a)(I) Outstanding claims are analyzed as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	2,312,322	2,043,777
Claims incurred in the year	7,241,191	6,232,113
Claims paid during the year (see note 8)	(7,567,830)	(5,963,568)
At 31 December	**1,985,683**	**2,312,322**

Notes to the Financial Statements

For the year ended 31 December 2022

Outstanding claims was determined as the sum of the individual case-estimates of each of the reported but outstanding claims for each class of business.

The table below shows the breakdown of outstanding claims liabilities adequacy test valuation, the IBNR provision required and the reinsurance projection.

Outstanding claims table

29 (a)(ii) Age analysis of outstanding claims

	31 Dec 2022		31 Dec 2021	
	Number of claimants	Outstanding claims	Number of claimants	Outstanding claims
0 - 90 days	378	207,204	350	1,091,898
91 - 180 days	218	319,844	377	505,658
181 - 270 days	201	93,573	114	249,742
271 - 365 days	181	71,794	93	113,034
above 365 days	1,631	1,293,268	1,236	351,990
	2,609	**1,985,683**	**2,171**	**2,312,323**

Claims outstanding for more than 90 days relates to reported claims for which the claims process has not been concluded due to insufficient information and/or support document from the clients. The discharge vouchers for these claims have not been executed.

Short term-2022

	0-90 Days	91-180 Days	181-270 Days	271-365 Days	Above 366 Days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting loss adjuster report	4,479	143,564	11,213	125	12,237	171,618
Awaiting documentation	88,520	531,542	57,247	118,466	191,206	986,981
Incomplete Documentation	114,330	147,826	10,831	18,045	523,551	814,583
Total	**207,329**	**822,932**	**79,291**	**136,636**	**726,994**	**1,973,182**

Long term-2022

	0-90 Days	91-180 Days	181-270 Days	271-365 Days	Above 366 Days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting documentation	500	500	2,500	300	800	4,600
Incomplete Documentation	1,485	1,248	2,262	1,637	1,269	7,901
Total	**1,985**	**1,748**	**4,762**	**1,937**	**2,069**	**12,501**
	209,314	**824,680**	**84,053**	**138,573**	**729,063**	**1,985,683**

29 (a)(iii) Claims Incurred But Not Reported (IBNR) are analyzed as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	1,591,907	1,236,422
Movement during the year	1,342,886	355,485
At 31 December	**2,934,793**	**1,591,907**

Notes to the Financial Statements

For the year ended 31 December 2022

Analysis of claims incurred but not reported per class of short-term business:

	1 January 2022	Movement during the year	31-Dec-22	1 January 2021	Movement during the year	31-Dec-21
	N'000	N'000	N'000	N'000	N'000	N'000
Motor	45,249	94,461	139,710	76,498	(31,249)	45,249
Fire	238,167	147,386	385,553	83,601	154,566	238,167
Bond	7,840	1,697	9,537	2,389	5,451	7,840
General accident	152,682	400,630	553,312	118,320	34,362	152,682
Marine and aviation	46,824	60,252	107,076	44,272	2,552	46,824
Engineering	119,530	(45,380)	74,150	21,449	98,081	119,530
Oil and energy	438,012	(74,322)	363,690	437,206	806	438,012
Agric	-	14,350	14,350	-	-	-
Health insurance	80,979	33,371	114,350	55,490	25,489	80,979
Group life	462,624	710,441	1,173,065	397,197	65,427	462,624
	1,591,907	1,342,886	2,934,793	1,236,422	355,485	1,591,907

IBNR relates to only short term insurance business.

29 Insurance contract liabilities-continued

29(a)(iv) Analysis of unearned premium per class of short-term business

	Unearned premium	Movement	Unearned premium	Movement	Unearned premium
	31-Dec-2022		31-Dec-2021		Dec-20
	N'000	N'000	N'000	N'000	N'000
Motor	900,820	(472,573)	428,247	(74,708)	353,539
Fire	459,210	(160,646)	298,564	(21,167)	277,397
Bond	199,610	(103,047)	96,563	(89,720)	6,843
General accident	391,853	(91,621)	300,232	(55,079)	245,153
Marine and aviation	431,735	(102,768)	328,967	(13,261)	315,706
Engineering	203,537	3,677	207,214	19,586	226,800
Oil and energy	392,195	(6,657)	385,538	(179,479)	206,059
Agricultural	125,151	(66,739)	58,412	(58,412)	-
Health insurance	630,122	(146,948)	483,174	(312,500)	170,674
Group life	807,409	(47,047)	760,362	(243,744)	516,618
	4,541,642	(1,194,369)	3,347,273	(1,028,484)	2,318,789

The Company does not make provision for premium deficiency. This is because all classes of business in which the Company is involved led to a profit i.e. the premium written is in excess of claims incurred.

Notes to the Financial Statements
For the year ended 31 December 2022

29 (b) Long term business insurance liabilities

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Outstanding claims (see note 29 (b)(I))	12,501	12,813
Individual life business liability (see note 29 (b)(iii))	654,415	905,004
	666,916	**917,817**

29 (b)(i) The movement in outstanding claims during the year was as follows:

	Individual life 31-Dec-2022	Individual life 31-Dec-2021
	N'000	N'000
At 1 January	12,813	45,720
Additional claims incurred	229,329	136,829
Claims paid	(229,641)	(169,736)
Net movement (see note 8)	(312)	(32,907)
At 31 December	**12,501**	**12,813**

29 (b)(ii) Age analysis of outstanding claims

	31-Dec-2022		31-Dec-2021	
	Number of claimants	Outstanding claims	Number of claimants	Outstanding claims
0 - 90 days	4	1,800	3	1,985
91 - 180 days	1	1,576	1	1,748
181 - 270 days	3	4,700	4	4,762
271 - 365 days	4	1,800	5	1,937
above 365 days	11	2,625	9	2,381
	23	**12,501**	**22**	**12,813**

Claims outstanding for more than 90 days relates to reported claims for which the claims process has not been concluded due to insufficient information and/or support document from the clients. The discharge vouchers for these claims have not been executed.

29 (b)(iii) Individual life insurance liability comprises:

The movement in the individual life liability account during the year was as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	905,004	642,560
(Decrease)Increase during the year	(250,589)	262,444
At 31 December	**654,415**	**905,004**

Notes to the Financial Statements

For the year ended 31 December 2022

29(c) Outstanding claims provision (continued)

The table below shows the breakdown of oustanding claims liabilities adequacy test valuation, the IBNR provision required and the reinsurance projection.

Breakdown of outstanding claims provision per class of short term insurance business:

	31-Dec-2022 Outstanding Claims	IBNR	Total	31-Dec-2021 Outstanding Claims	IBNR	Total	31-Dec-2022 Reinsurance on IBNR	31-Dec-2021 Reinsurance on IBNR
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Motor	303,154	139,710	442,864	174,090	45,249	219,339	9,780	3,167
Fire	363,765	385,553	749,318	545,327	238,167	783,494	227,751	142,016
Bond	2,780	9,537	12,317	-	7,840	7,840	5,799	3,136
General accident	299,483	553,312	852,795	286,496	152,682	439,178	231,767	75,532
Marine and aviation	458,791	107,076	565,867	191,295	46,824	238,119	48,939	22,056
Engineering	62,982	74,150	137,132	56,738	119,530	176,268	41,485	67,230
Oil and energy	227,715	363,690	591,405	219,084	438,012	657,096	246,909	286,140
Agric	26,422	14,350	40,772	-	-	-	13,178	-
Health insurance	-	114,350	114,350	397,976	80,979	478,955	80,403	39,165
Group life	240,591	1,173,065	1,413,656	441,316	462,624	903,940	337,059	44,149
Individual life	12,502	-	12,502	12,814	-	12,814	-	-
	1,998,185	2,934,793	4,932,978	2,325,136	1,591,907	3,917,043	1,243,070	682,591

Notes to the Financial Statements

For the year ended 31 December 2022

29 (d) Assets representing insurance fund:

31 December 2022	Short term insurance business	Long term insurance business	Total-31 December 2022
	N'000	N'000	N'000
Financial assets- amortized cost	6,293,317	15,595	6,308,912
Reinsurance asset	3,248,285	1,324,013	4,572,298
	9,541,602	1,339,608	10,881,210

31 December 2021 *Breakdown:"*	Short term insurance business	Long term insurance business	Total-31 December 2022
	N'000	N'000	N'000
Financial assets- amortized cost	5,251,172	10,196	5,261,368
Reinsurance asset	2,118,577	1,007,160	3,125,737
	7,369,749	1,017,356	8,387,105

30 Trade payables

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Reinsurance payables (see note 30 (a))	942,907	1,153,554
Insurance payables (see note 30(b))	59,850	109,394
	1,002,757	1,262,948

30 (a) Reinsurance payables

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Premium payable to reinsurers/coinsurers	473,145	1,153,554
Payable to Hollard Health*	469,762	-
	942,907	1,153,554

*This relates to proportion of premium received on the sales of health insurance product that is due to/ payable to Hollard Cigna.The product operates a sharing scheme whereby premium and associated liabities are shared between Hollard Cigna and NSIA based on agreement consented to by both parties.

30 (b) Insurance payables

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Commission payable	8,949	102,865
Claims Payable*	50,901	6,529
Deposits for insurance premium	-	-
	59,850	109,394

Notes to the Financial Statements

For the year ended 31 December 2022

* Claims payable represents claims already processed and closed by the claims but awaiting payment by the financial control department.

31 Other payables and accruals

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Accruals (see note 31(a) below)	408,740	223,833
Sundry payables (see note 31(b) below)	1,253,857	870,675
	1,662,597	1,094,508

31 (a) Breakdown of accruals

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Audit fees	25,000	25,000
ITF levy	12,826	12,456
Actuarial fees	14,311	5,035
NAICOM levy	156,527	126,574
Productivity bonus	100,000	-
Staff allowances	44,470	-
Other staff account payable	9,217	8,943
Vendors and suppliers	41,578	41,014
Investment custodian fee payable*	4,811	4,811
	408,740	223,833

Other payables and accruals - continued

*This relates to amount payable with respect to provision of custodian services to NSIA as all treasury instruments(Treasury Bills,Bonds etc) issued by the Government is expected to be domiciled with a registered custodian that serves as depository for such instruments.The custodian services is for Domiciliation purpose only and in this case, our custodian for this purpose is UBA Custodian Ltd.

31 (b) Breakdown of sundry payables

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Withholding taxes	55,498	54,357
PAYE	11,453	11,356
Pension	3,320	2,813
Accrued Directors fees	175,931	4,458
Direct bank deposit*	828,470	698,229
VAT payable	179,185	99,466
	1,253,857	870,675

The carrying amounts disclosed above approximate the fair value at the reporting date.

Due within 12 months	1,662,597	1,094,508
	1,662,597	1,094,508

Notes to the Financial Statements

For the year ended 31 December 2022

* This relates to deposit in our various bank accounts in which the depositors are yet to advise the nature/details of the transactions. The average age of this deposit is less than the financial year.

32 Deferred commission income

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Motor	7,443	586
Fire	74,242	63,841
Bond	15,282	1,846
General accident	26,996	11,152
Marine	55,840	64,713
Engineering	15,374	17,333
Oil & Energy	7,480	12,481
Travel	117	-
Agriculture	24,675	9,369
	227,449	181,321
Due within 12 months	**227,449**	**181,321**

Deferred commission income relates to the unearned portion of the commission from reinsurance transactions.

32 (a) Movement in deferred commission income:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	181,321	124,489
Additions during the year	1,166,627	1,037,260
	1,347,948	1,161,749
Amortization during the year (note 6.2)	(1,120,499)	(980,428)
At end of year	227,449	181,321
Movement	**46,128**	**56,832**

33 Deposit for shares

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At beginning of year	226,344	-
Dividend capitalised***	-	226,344
At end of year	**226,344**	**226,344**

***This relates to proportion of dividend paid that was due to NSIA Participation(the parent) which the parent have advised to be kept as part of deposit for shares. Cash payment were made to other shareholders.(See note 43.8)
The balance in this note remain a liability until the allotment is done, when the obligation is converted into equity.

Notes to the Financial Statements
For the year ended 31 December 2022

34 Taxation

34.1 *Tax expense*

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Minimum tax	95,080	77,236
Technology tax	9,871	3,631
Nigeria Police Trust Fund	45	37
	104,996	80,904
Deferred tax	73	372
Charge for the year	105,069	81,277

Charge for the year is analyzed below:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Minimum tax	95,080	77,236
Income tax	9,917	3,668
	104,996	80,904

34.2 Current tax liabilities

The movement on tax payable account during the year is as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At 1 January	108,483	100,111
Payment during the year	(117,814)	(72,532)
Charge for the year	104,996	80,904
At 31 December	**95,665**	**108,483**

Refer to note 5 for significant judgment and estimate related to the computation of current tax balances.

34.3 Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount as follows:

	%	31-Dec-2022	%	31-Dec-2021
		N'000		N'000
Profit before tax		978,541		363,194
Adjustment for NITDA levy		(9,871)		(3,631)
Profit after adjustment for NITDA levy		968,670		359,563
Tax calculated at the tax rate of 30%	30%	290,601.00	30%	107,869
Effect of:				
Impact of minimum tax	10%	95,080	3%	77,236
Technology tax	1%	9,871	1%	3,631
Nigeria Police Trust Fund		45	0%	37
Income not subject to tax	(90%)	(875,833)	(24%)	(562,465)
Non-deductible expenses	31%	302,418	47%	221,068
Impact of deferred tax	0%	73	47%	372
Impact of industry tax law	29%	280,235	(41%)	233,529
Effective tax	10%	102,489	16%	81,277

Notes to the Financial Statements
For the year ended 31 December 2022

35 Capital and reserves

35.1 Share capital

Issued and Paid-up:

	31-Dec-2022		**31-Dec-2021**
	Number of shares **N'000**	**Ordinary shares N'000**	**Total N'000**
At 31 December 2022 (50 Kobo each)	18,000,000	9,000,000	9,000,000
At 31 December 2021 (50 Kobo each)	**18,000,000**	**9,000,000**	**9,000,000**

The movement on issued and paid-up capital are as follows:

	31-Dec-2022	**31-Dec-2021**
	N'000	**N'000**
At 1 January	9,000,000	9,000,000
At 31 December	**9,000,000**	**9,000,000**

The movement on Issued and paid-up capital in terms of unit are as follows;

	31-Dec-2022	**31-Dec-2021**
	N'000	**N'000**
At 1 January	18,000,000	18,000,000
Increase	-	-
At 31 December	**18,000,000**	**18,000,000**

The total authorized number of ordinary shares and paid-up share as at year end was 18 billion and 18 billionrespectively (2021: 18 billion/18.0 billion) with a par value of 50k per share (2021: 50k per share).

35.2 Statutory contingency reserve

In accordance with the Insurance Act of Nigeria, a Contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business.
This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

Notes to the Financial Statements

For the year ended 31 December 2022

	31-Dec-2022	31-Dec-2021
This is composed of	N'000	N'000
Non life business	2,359,217	2,044,900
Life business	396,549	315,146
	2,755,766	2,360,045
Non life business		
At the beginning of the year	2,044,900	1,813,949
Transfer from Retained earnings (see note 35.5)	314,318	230,950
At end of the year	2,359,217	2,044,900
Life business		
At the beginning of the year	315,146	255,095
Transfer from Retained earnings (see note 35.5)	81,403	60,050
At end of the year	396,549	315,146
Total	**2,755,766**	**2,360,045**

2022	Non-Life N'000	Life (including Health) N'000	Higher of Premium or Profit N'000
Gross premium written	10,477,263	7,539,964	
Rate	3%	1%	
Result	314,318	75,400	314,318
Profit before tax	164,513	814,028	
Rate	20%	10%	
Result	32,903	81,403	81,403
Contingency reserve			**395,721**

2021	N'000 Non-Life	N'000 Life (including Health)	N'000 Higher of Premium or Profit
Gross premium written	7,698,304	6,005,032	
Rate	3%	1%	
Result	230,949	60,051	291,000
Profit before tax	66,633	296,561	
Rate	20%	10%	
Result	13,327	29,656	-
Contingency reserve			**291,000**

Notes to the Financial Statements
For the year ended 31 December 2022

35.3 Asset revaluation reserve

This is revaluation gains in respect of land and building in line with the Company's accounting policies.

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At the beginning of the year	1,800,077	1,758,174
Revaluation gains, gross	30,040	46,559
Deferred tax relating to asset revaluation (see note 24)	(3,004)	(4,656)
Revaluation gains, net of tax	27,036	41,903
At end of the year	1,827,113	1,800,077

Asset revaluation reserves is analyzed as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Gross amount	2,268,907	2,268,907
Related deferred tax liability	(441,794)	(468,830)
Net amount	1,827,113	1,800,077

35.4 Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired. See statement of changes in equity for movement in fair value reserve.

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At the beginning of the year	73,918	8,705
Additions during the year:		
- ECL impairment during the year (Note 14)	-	(1,900)
-Net fair value gain or loss on financial assets at FVOCI (Note 18b(I))	50,364	62,535
-Net fair value gain on matured financial instruments at FVOCI (Note 18b)	-	4,578
At end of the year	124,282	73,918
Net movement during the year	50,364	65,213

35.5 Retained earnings

The retained earnings consist only of distributable profits, undistributed from previous years. It represents the amount available for dividend distribution to the equity shareholders of the Company. See statement of changes in equity for movement in retained earnings.

Notes to the Financial Statements

For the year ended 31 December 2022

	31-Dec-2022	31-Dec-2021
	N'000	N'000
At the beginning of the year	406,260	676,342
Dividends declared to ordinary equity shareholders during the year (see note (b) below)	-	(261,000)
Transfer from profit and loss	873,472	281,918
Transfer to contingency reserve	(395,721)	(291,000)
At end of the year	**884,011**	**406,260**

36 Dividend

During the year, no dividend was paid. (2021: total dividend of N261,000,000 (1.45k per share) was paid as final dividend for 2020 financial year).

37 Contingencies and commitments

(a) Legal proceedings and regulations
The Company is presently involved in six (2021: four) litigations with estimated claims of N2,032.45 million (2021: N950.707 million). In the Directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any material effect on the financial position of the Company.

(b) Capital commitments
The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of financial affairs have been taken into account in the preparation of these financial statements.The Company had no capital commitment as at 31 December 2022 (31 December 2021: Nill).

(c) Contingent liability
There were no contigencies arising from the business transaction during the year.

38 Contravention of laws and regulations

The Company did not contravene any law and regulation during the year.

39 (a) Related party disclosures

Transactions with Parent company

NSIA Participations Holding SA (incorporated in Cote D'Ivoire) is the parent Company. NSIA does not have any related party transactions for the year ended 31 December 2022 (31 December 2021: Nil) other than dividend due (N226,344,000) to the parent that is retained as deposit for shares (2021: N226,344,000) received from NSIA Participations Holdings SA in 2020 as part of share capitalisation process as mandated by the National Insurance Commission (NAICOM).

Notes to the Financial Statements

For the year ended 31 December 2022

39 (b) Compensation of key management personnel

Key management personnel of the company includes all directors (executive and non-executive) members of the management committee.

The summary of compensation of key management personnel for the year is as follows:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Salaries	195,451	195,451
Fees (see note (b)(I) below)	44,274	44,274
Other short-term employment benefits	15,775	15,775
	255,500	255,500
Loans and advances to Directors		
Balance at 1 January	246,157	282,180
Granted during the year	-	-
Repayments	(221,892)	(36,023)
At 31 December	24,265	246,157
Interest earned	**2,341**	**11,703**

Loans to key management personnel include mortgage loans which are given under terms that are not more favourable than those given to other staff. Mortgage loans are secured by the underlying assets. The loan is performing as they are been repaid according to the terms of the contract Applicable impairment allowance has been recognised in respect of loans given to key management personnel as part of impairment charge on financial asset in note 14

40 Employees and directors

(a) *Employees*

The average number of persons employed by the Company during the year was as follows:

	31-Dec-2022	31-Dec-2021
	Number N'000	Number N'000
Executive directors	3	3
Management	10	10
Non-management	118	118
	131	131

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	31-Dec-2022	31-Dec-2021
	Number N'000	Number N'000
Less than N2,000,000	2	2
N2,000,001 - N3,500,000	21	21
N3,500,000 - N5,000,000	40	40
N5,000,000-N7,500,000	38	38
N7,500,000 - and Above	30	30
	131	131

Notes to the Financial Statements
For the year ended 31 December 2022

(b) *Directors*

Remuneration paid to the Company's directors (excluding pension contribution) was:

	31-Dec-2022	31-Dec-2021
	N'000	N'000
Fees and sitting allowances	32,342	46,345
Executive compensation	65,098	93,284
	97,440	139,629
The chairman	10,645	10,645
The highest paid director	50,273	50,273

in Number	31-Dec-2022	31-Dec-2021

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

	31-Dec-2022	31-Dec-2021
	Number	Number
Above 3,400,000	13	13

41 Events after the reporting period

41a *Events after the reporting period*

There are no events after the reporting date that require adjustments/disclosure in the financial statements.

42 Reconciliation of Statement of Cash flows

	Notes	31-Dec-2022	31-Dec-2021
42.1 Insurance premium received		N'000	N'000
Opening insurance receivable	19 (a)	110,343	118,488
Gross premium written	6	18,017,227	13,703,336
Closing insurance receivable	19 (a)	(167,921)	(110,343)
		17,959,649	13,711,481

Gross premium written represents gross amount and not net amount in cases whereby commissions due to third parties have been deducted at source

	Notes	N'000	N'000
42.2 Reinsurance premium paid			
Opening reinsurance payable	30 (a)	(1,153,554)	(673,277)
Reinsurance expense	6.1	(8,168,453)	(6,487,555)
Prepaid minimum and deposit reinsurance during the year	20 (b)	50,951	53,657
Closing reinsurance payable	30 (a)	942,907	1,153,554
		(8,328,149)	(5,953,621)
42.3 Reinsurance commission received			
Fee income arising on insurance contracts	6.2	1,120,499	980,428
Movement in deferred commission income	32(a)	46,128	56,832
		1,166,627	1,037,260

Notes to the Financial Statements
For the year ended 31 December 2022

42.4 Insurance benefits and claims paid

	Notes	31-Dec-2022	31-Dec-2021
		N'000	N'000
Short term insurance business	8	7,567,830	5,963,568
Long term insurance business	8	229,641	169,736
		7,797,471	6,133,304

42.5 Net inflow from deposit admin

	Notes	31-Dec-2022	31-Dec-2021
Deposits received	28	112,615	200,352
Withdrawal	28	(186,493)	(183,425)
		(73,878)	16,927

42.6 Reinsurance claims received

	Notes	31-Dec-2022	31-Dec-2021
Short term insurance business	9	2,727,018	2,617,517
Invididual life insurance business	9	-	(8,448)
		2,727,018	2,609,069

42.7 Commission paid

	Notes	31-Dec-2022	31-Dec-2021
Opening insurance payable	30 (b)	(102,865)	(32,512)
Additional acquisition expense during the year	22(a)	(2,937,856)	(1,933,365)
Closing insurance payable	30 (b)	8,949	102,865
		(3,031,772)	**(1,863,012)**

*Commission paid as disclosed in the cashflow statement represents commission deducted at source by brokers/agents and actual commission paid by NSIA

42.8 Maintenance expense paid

	Notes	31-Dec-2022	31-Dec-2021
Maintenance expense	11	(567,164)	(472,904)

42.9 Cash paid to employees, intermediaries and other suppliers

	Notes	31-Dec-2022	31-Dec-2021
Personnel Expenses	15(a)	(1,576,379)	(1,361,333)
Other operating expenses	15(b)	(1,883,893)	(1,377,749)
Less non-cash items:			
Depreciation	15(b)	176,314	216,956
Amortization	15(b)	8,820	4,410
Loss on disposal of investment property	13(b)	-	128
Movement in prepaid expenses		(6,716)	(97,116)
Movement in payables		(264,897)	(7,451)
Net cash flow from other debtors:			
- Additions	21	2,000	(1,295)
- Dividend income	12 (a)	4,045	10,014
		(3,540,706)	(2,613,436)

42.9(a) Other income received

	Notes	31-Dec-2022	31-Dec-2021
		N'000	N'000
Management fees	13(a)	-	-
Reimbursement of excess stamp duty paid to IFRS	13(a)	-	-
Bad debt recovery	13(a)	-	26,564
Other sundry income	13(a)	175,353	4,423
		175,353	30,987

Notes to the Financial Statements
For the year ended 31 December 2022

43.0 Interest income received

	Notes	31-Dec-2022	31-Dec-2021
		N'000	N'000
Net Investment income	12	1,494,101	1,180,394
Interest Income on deposit administration	7	28,704	20,693
Dividend income on equity securities	12 (a)	(4,045)	(10,014)
(Gain)/loss on financial assets disposal	12 (a)	(10,043)	-
Financial assets - Interest income	12 (a)	(1,314,446)	(1,039,836)
		194,271	**151,237**

43.1 Dividend received

	Notes	31-Dec-2022	31-Dec-2021
Dividend receivable - at beginning of year	21 (b)	3,732	3,732
Dividend income on equity securities	12 (a)	4,045	10,014
Dividend receivable - at end of year	21 (b)	(3,732)	(3,732)
		4,045	**10,014**

43.2 Proceeds from disposal of property and equipment

	Notes	31-Dec-2022	31-Dec-2021
Cost of property and equipment	26	290,285	69,929
Accumulated depreciation of property and equipment	26	(4,429)	(65,952)
Profit on sale of property and equipment	13(a)	72,565	29,754
		358,421	**33,731**

43.3 Proceeds from disposal of investment property

	Notes	31-Dec-2022	31-Dec-2021
Cost of investment property	23	-	6,274
Loss on sale of property and equipment	13(b)	-	(128)
		-	6,146
Less receivable from disposal of investment property (Note 21 (b)(iii))		-	-
		-	**6,146**

43.4 Movement in financial assets

43.4(a) Addition to financial asset

	Notes	31-Dec-2022	31-Dec-2021
Purchase of Treasury bills18 (c)	18 (c)	-	-
Purchase of Federal Government Bonds18 (c)	18 (c)	(3,086,122)	(1,998,229)
Staff and policy loan disbursed and long term placement purchased during the year 18 (c)	18 (c)	(7,745)	(131,456)
		(3,093,867)	**(2,129,685)**

43.4(b) Proceed from disposal/redemption of financial assets

	Notes	31-Dec-2022	31-Dec-2021
Value of treasury bills disposed/matured	18 (c)	-	428,691
Bond/Loan repayment/redemption	18 (c)	2,734,091	1,399,248
Gain on financial assets disposal	12 (a)	10,043	-
		2,744,134	**1,827,939**

43.5 Net cash flow received from coinsurer on recovery of claims paid

	Notes	31-Dec-2022	31-Dec-2021
Changes in recovery of claims paid from coinsurer on Non-life businesses	19(b)	145,285	(105,593)
Changes in recovery of claims paid from coinsurer on life business	19(c)	(144,267)	7,854
Net cash flow received		**1,018**	**(97,739)**

Notes to the Financial Statements

For the year ended 31 December 2022

43.6 Premium received in advance

	Notes	31-Dec-2022 N'000	31-Dec-2021 N'000
Premium received in advance	30 (b)	-	-

43.7 Effect of exchange rate fluctuations

Cash and cash equivalents	13(a)(ii)	59,246	95,876
Net Unrealized foreign exchange loss(gain)**	15	-	-
		59,246	**95,876**

43.8 Dividend paid

Total Dividend Declared		-	261,000
NSIA proportion (2021-96.36%) (2020-96.36%)		-	251,495
Less Witholding tax		-	(25,149)
Nsia share of dividend net of witholding tax		-	226,345
Minority proportion (2021-3.64%) (2020-3.64%)		-	9,505
Witholding tax paid on NSIA's share of dividend		-	25,150
Dividend paid		-	**34,656**

44 Segment Information

Following the management approach of IFRS 8, the Company is organised into two operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable segments by product line. These segments and their respective operations are as follows:

Non life business

The protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are over a short contractual term. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Life business

Protection of customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit or loss.

The segment information provided by Management for the operations of the reporting segments for the year 31 December 2022.

Notes to the Financial Statements

For the year ended 31 December 2022

	31-Dec-2022				31-Dec-2021			
	Non life N'000	Life N'000	Health N'000	Total N'000	Non life N'000	Life N'000	Health N'000	Total N'000
Gross premium written	10,477,263	4,109,467	3,430,497	18,017,227	7,698,304	3,575,663	2,429,369	13,703,336
Gross premium income	9,476,892	4,062,419	3,283,547	16,822,858	7,226,064	3,331,919	2,116,869	12,674,852
Insurance premium ceded to reinsurers	(4,740,704)	(907,514)	(2,316,025)	(7,964,242)	(3,630,976)	(707,691)	(1,493,923)	(5,832,590)
Net insurance premium revenue	4,736,188	3,154,905	967,523	8,858,616	3,595,088	2,624,228	622,946	6,842,262
Fee Income	868,366	205,340	46,793	1,120,499	761,503	185,653	33,272	980,428
Profit on deposit administration	-	26,409	-	26,409	-	3,539	-	3,539
Interest revenue	81,719	48,808	20,918	151,445	75,276	29,785	12,765.00	117,826
Other investment income	1,062,702	196,699	83,987	1,343,387	767,011	207,987	87,698	1,062,696
Gain/(loss) on disposal of property	-	-	-	-	-	-	-	-
Other operating income	661,273	182,985	-	844,258	234,883	14,519	-	249,530
Total Income	7,410,248	3,815,146	1,119,220	12,344,614	5,433,761	3,065,711	756,681	9,256,153
Insurance benefits and claims	3,909,297	1,736,535	1,354,413	7,000,245	3,493,575	1,718,427	1,265,570	6,477,572
Insurance claims recovered from reinsurers	(1,257,396)	115,783	(1,174,265)	(2,315,877)	(1,531,908)	(169,694)	(1,005,663)	(2,707,265)
Net insurance benefits and claims	2,651,901	1,852,319	180,148	4,684,368	1,961,667	1,548,733	259,907	3,770,307
Maintenance expenses	2,175,794	584,873	528,699	3,289,366	1,430,991	572,526	379,301	2,382,817
Impairment losses/(gain)	(47,554)	(20,380)	-	(67,934)	1,992	1,992	-	3,984
Depreciation and amortisation	179,930	784	-	180,714	218,551	2,809	-	221,360
Other expenses	2,285,663	695,727	298,168	3,279,558	1,753,927	532,395	228,168	2,514,490
Net expenses	7,245,735	3,113,323	1,007,015	11,366,073	5,367,128	2,658,455	867,376	8,892,958
Reportable segment profit	164,513	701,823	112,205	978,541	66,633	407,256	(110,695)	363,194
Profit before tax	164,513	701,823	112,205	978,541	66,633	407,256	(110,695)	363,194
Income tax expenses	(94,061)	(11,008)	-	(105,069)	(56,218)	(25,058)	-	(81,276)
Profit after tax	**70,452**	**690,815**	**112,205**	**873,472**	**10,415**	**382,198**	**(110,695)**	**281,918**

Notes to the Financial Statements

For the year ended 31 December 2022

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

Joint expenses between nonlife and life are allocated on 70:30 basis respectively.

The segment information provided by Management for the financial position of the reporting segments for the year ended 31 December 2022

	31-Dec-2022			31-Dec-2021		
	Non life	Life	Total	Non life	Life	Total
Asset	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	(4,395,633)	6,476,295	2,080,662	(2,762,164)	5,423,298	2,661,134
Financial assets	12,479,510	3,862,226	16,341,736	10,287,927	3,808,431	14,096,358
Trade receivables	115,743	223,793	339,536	200,529	87,452	287,981
Reinsurance assets	3,248,285	1,324,013	4,572,298	2,118,577	1,098,079	3,216,656
Other receivables	155,788	22,731	178,519	160,504	22,731	183,235
Deferred acquisition costs	544,099	-	544,099	328,447	-	328,447
Investment properties	-	247,030	247,030	-	246,300	246,300
Intangible assets	4,410	-	4,410	8,820	-	8,820
Property and equipment	3,483,207	-	3,483,207	3,572,895	784	3,573,679
Statutory deposits	500,400	400,000	900,400	500,400	400,000	900,400
Total assets	**16,135,809**	**12,556,088**	**28,691,897**	**14,415,935**	**11,087,075**	**25,503,010**
Liabilities						
Investment contract liabilities	-	155,113	155,113	-	226,696	226,696
Insurance contract liabilities	6,496,585	3,632,449	10,129,034	4,625,074	3,544,245	8,169,319
Trade payables	25,835	976,922	1,002,757	81,188	1,181,760	1,262,948
Other payables	(634,148)	2,296,745	1,662,597	(319,834)	1,414,342	1,094,508
Deferred commission income	227,449	-	227,449	181,321	-	181,321
Deposit for shares	226,344	-	226,344	226,344	-	226,344
Deferred tax liabilities	599,810	1,954	601,764	591,210	1,881	593,091
Current income tax	63,095	32,571	95,665	67,442	41,041	108,483
Total Liabilities	**7,004,970**	**7,095,754**	**14,100,724**	**5,452,745**	**6,409,965**	**11,862,710**
Equity						
Share capital	5,000,000	4,000,000	9,000,000	5,000,000	4,000,000	9,000,000
Share premium	-	-	-	-	-	-
Statutory contingency reserve	2,359,217	396,549	2,755,766	2,044,901	315,144	2,360,045
Asset revaluation reserve	1,827,113	-	1,827,113	1,800,077	-	1,800,077
Fair value reserve	112,685	11,597	124,282	62,895	11,023	73,918
Retained earnings	(168,176)	1,052,188	884,012	55,317	350,943	406,260
Total equity	**9,130,839**	**5,460,335**	**14,591,173**	**8,963,190**	**4,677,110**	**13,640,300**

Notes to the Financial Statements
For the year ended 31 December 2022

45 Revenue accounts for the year ended 31 December 2022

(i) Non-life business

	Motor	Fire	Bond	General Accident	Marine	Engineering	Oil & Energy	Agricultural	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income:									
Gross premium written	2,085,522	1,573,645	293,795	1,767,277	1,505,688	489,427	2,236,184	525,725	10,477,263
Changes in provision for unearned premium	(472,573)	(160,646)	(103,047)	(91,621)	(102,764)	3,677	(6,657)	(66,739)	(1,000,371)
Gross premium earned	1,612,949	1,412,999	190,748	1,675,656	1,402,924	493,104	2,229,527	458,986	9,476,892
Reinsurance outwards									
- Reinsurance_Facultative	(121,909)	(33,165)	(230,625)	(267,959)	(107,401)	(76,635)	(1,137,920)	(252,907)	(2,228,521)
- Reinsurance_Treaty	(17,400)	(868,720)	(64,456)	(44,940)	(602,301)	(197,188)	(429,497)	(21,901)	(2,246,403)
- Coinsurance	(22,350)	(27,687)	-	(220,892)	(28,578)	-	-	(145,181)	(444,688)
Increase / (decrease) in prepaid reinsurance cost.	39,590	38,586	88,930	58,329	(37,404)	(36,524)	(15,494)	42,894	178,908
Net earned premiums	1,490,880	522,013	(15,403)	1,200,194	627,241	182,757	646,616	81,892	4,736,189
Commission income:	18,000	276,005	8,462	104,929	220,368	73,228	67,082	100,293	868,368
Total	**1,508,881**	**798,018**	**(6,941)**	**1,305,123**	**847,609**	**255,985**	**713,698**	**182,185**	**5,604,557**
Expenses:									
Gross claims expense	1,084,666	564,551	2,780	1,381,480	657,355	74,831	53,624	90,010	3,909,297
Reinsurance claims recoveries:									
- Reinsurance	(333,983)	(441,651)	-	(599,427)	(53,750)	(27,814)	(29,635)	(32,415)	(1,518,675)
- Coinsurance	(37,270)	3,875	-	(56,923)	(6,571)	(100)	-	(14,476)	(111,465)
IBNR									
- Movement in IBNR	94,461	147,386	1,697	400,630	60,252	(45,380)	(74,322)	14,350	599,075
- Movement in reinsurance share of IBNR	(6,613)	(85,735)	(2,663)	(156,235)	(26,883)	25,745	39,231	(13,178)	(226,331)
Net Claims incurred	801,261	188,427	1,814	969,525	630,403	27,282	(11,102)	44,291	2,651,901
Commission expense	200,582	284,729	58,751	332,774	270,853	94,706	884,384	33,884	2,160,663
Increase in Deferred Acquisition cost	(36,118)	(40,555)	(24,969)	(21,594)	(21,309)	651	(66,877)	(4,881)	(215,653)
Maintenance expenses	20,390	12,823	2,298	13,822	156,020	3,828	17,490	4,112	230,783
Underwriting expenses	184,855	256,997	36,079	325,003	405,564	99,185	834,996	33,115	2,175,793
"Net underwriting results transferred to profit and loss account"	**522,765**	**352,595**	**(44,835)**	**10,595**	**(188,358)**	**129,518**	**(110,196)**	**104,779**	**776,863**

Notes to the Financial Statements
For the year ended 31 December 2022

(ii) Life business

	Individual Life	Group Life	Health	Total
	N'000	N'000	N'000	N'000
Income:				
Gross premium written	385,039	3,724,428	3,430,497	7,539,964
Changes in provision for unearned premium - Group life	-	(47,048)	(146,950)	(193,998)
Gross premium earned	**385,039**	**3,677,380**	**3,283,547**	**7,345,966**
Reinsurance outwards	(44,475)	(843,236)	(2,412,081)	(3,299,792)
Increase in prepaid reinsurance cost	-	(19,803)	96,057	76,255
Net written/earned premiums	340,564	2,814,341	967,524	4,122,429
Commission income	6,025	164,244	46,793	217,062
Admin fee income	-	35,071	-	35,071
Total	**346,589**	**3,013,656**	**1,014,317**	**4,374,562**
Expenses:				
Claims expense	9,644	1,977,480	1,354,413	3,341,537
Reinsurance Claims recoveries	-	(585,305)	(1,184,403)	(1,769,708)
Surrenders	72,025	-	-	72,025
Maturity	147,660	-	-	147,660
IBNR				-
- Movement in IBNR / Contract liabilities	-	710,441	33,371	743,812
- Movement in reinsurance share of IBNR	4,412	(233,450)	(23,233)	(252,270)
Claims incurred	**233,741**	**1,869,166**	**180,148**	**2,283,056**
Acquisition expenses	21,747	379,791	375,654	777,192
Maintenance expenses	17,178	166,158	153,045	336,380
Underwriting expenses	**38,925**	**545,949**	**528,699**	**1,113,572**
Net underwriting results	73,923	598,542	305,470	977,934
Accretion/increase in life fund	250,589	-	-	250,589
Net underwriting results transferred to profit and loss account	**324,511**	**598,542**	**305,470**	**1,228,523**

Other National Disclosures

Value Added Statement

	31-Dec-2022 N'000	%	31-Dec-2021 N'000	%
Gross premium	18,017,227	659	13,703,336	704
Net benefits and claims	(4,684,368)	(171)	(3,770,307)	(194)
Premiums ceded to reinsurers	(7,964,242)	(291)	(5,832,590)	(300)
Fees and commission income	1,120,499	41	980,428	50
Investment Income	2,338,359	85	1,429,924	73
Administrative overheads - local	(6,091,828)	(223)	(4,564,895)	(235)
Value added	2,735,647	100	1,945,896	100
Distribution of value added				
To government:				
Taxes	105,069	4	81,276	4
To employees:				
Salaries and benefits	1,576,379	58	1,361,333	70
To Shareholders:				
Dividend	-	-	261	0
The future:				
For replacement of property and equipment (depreciation)	176,314	6	216,956	11
Asset replacement				
Amortisation of intangible assets	4,410	-	4,410	0.2
Transfer to contigency reserve	395,721	14	291,000	15
Retained profit for the year	477,751	17	(9,343)	(0)
	2,735,647	100	1,945,896	100

Value added statement represents the wealth created by the efforts of the Company and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

Five-Year Financial Summary

	31-Dec-2022 N'000	31-Dec-2021 N'000	31-Dec-2020 N'000	31-Dec-2019 N'000	31-Dec-2018 N'000
Cash and cash equivalents	2,080,662	2,661,134	2,073,477	1,312,235	1,290,535
Financial assets	16,341,736	14,096,358	12,494,045	9,642,047	7,851,813
Trade receivables	339,536	287,981	230,459	162,804	355,666
Reinsurance assets	4,572,298	3,216,656	1,954,191	1,848,077	2,140,210
Other receivables	178,519	183,235	281,646	299,035	310,344
Deferred acquisition costs	544,097	328,447	304,996	287,912	182,691
Investment properties	247,030	246,300	249,215	1,646,040	1,554,476
Intangible assets	4,410	8,820	13,230	17,640	24,741
Property and equipment	3,483,207	3,573,679	3,618,029	3,720,880	3,715,190
Statutory deposits	900,400	900,400	900,400	500,000	500,000
TOTAL ASSETS	**28,691,895**	**25,503,010**	**22,119,688**	**19,436,670**	**17,925,666**
LIABILITIES					
Investment contract liabilities	155,113	226,696	192,615	101,549	105,380
Insurance contract liabilities	10,129,034	8,169,319	6,287,269	5,053,183	4,248,672
Trade payables	1,002,757	1,262,948	707,298	457,919	1,402,032
Other payables	1,662,597	1,094,508	607,578	495,370	495,816
Deferred commission income	227,449	181,321	124,489	110,028	96,858
Current tax liabilities	95,665	108,483	100,111	96,776	116,592
Deferred tax liabilities	601,764	593,091	588,063	583,069	558,710
Deposit for Shares	226,344	226,344	-	98,080	-
TOTAL LIABILITIES	**14,100,723**	**11,862,710**	**8,607,423**	**6,995,974**	**7,024,061**
NET ASSETS	**14,591,172**	**13,640,300**	**13,512,265**	**12,440,696**	**10,901,606**
CAPITAL AND RESERVES					
Share capital	9,000,000	9,000,000	9,000,000	4,767,360	4,567,360
Share premium	-	-	-	2,092,703	1,692,703
Statutory contingency reserve	2,755,766	2,360,045	2,069,044	1,842,280	1,599,617
Asset revaluation reserve	1,827,113	1,800,077	1,758,174	1,720,352	1,681,214
Fair value reserve	124,282	73,918	8,705	94,850	(155,683)
Retained earnings	884,011	406,260	676,342	1,923,151	1,516,395
SHAREHOLDER'S FUNDS	**14,591,172**	**13,640,300**	**13,512,265**	**12,440,696**	**10,901,606**

	31-Dec-2022 N'000	31-Dec-2021 N'000	31-Dec-2020 N'000	31-Dec-2019 N'000	31-Dec-2018 N'000
Gross Premium	18,017,227	13,703,336	10,465,971	9,192,293	6,914,006
Earned Premium	8,858,616	6,842,262	6,062,040	5,063,071	3,165,304
Net benefit and claims	(4,684,368)	(3,770,307)	(2,941,076)	(2,467,753)	(989,189)
Profit before tax	978,541	363,194	942,186	849,037	892,299
Tax	(105,069)	(81,276)	(26,178)	(67,165)	(221,842)
Profit after tax	873,472	281,918	916,008	781,872	670,457
Contingency reserve	2,755,766	2,360,045	2,069,045	1,842,280	1,599,618
Earnings per share (in kobo)	5	2	8	7	4

Branch Network Details

Full Name of Company	NSIA Insurance Limited
Head Office	3, Elsie Femi Pearse Street, Victoria Island, Lagos State, Nigeria.
Telephone Numbers	01-2718199, 0809 720 9218, 0700NSIAINSURE
Email	enquiry@nsiainsurance.com customerservice@nsiainsurance.com
Website	www.nsiainsurance.com

S/N	State	Location	Address
1	Abuja	Wuse II	3, Kotonkarfee Close, Off Oyo Street, Area 2, Garki, Abuja, Nigeria.
2	Anambra	Onitsha	46, Iweka Road, Onitsha, Anambra, Nigeria.
3	Delta	Warri	57, Effurun/Sapele Road, Effurun, Delta State, Nigeria.
4	Kaduna	Kaduna	Suite PP10 Mazangari Investment Building, 17F, Independence Way, Kaduna, Nigeria.
5	Kano	Kano	375, Civic Centre Road, J.B.S Plaza, Kano State, Nigeria.
6	Lagos	Ikeja	161, Awolowo Road, Alausa, Ikeja, Lagos State, Nigeria.
7	Oyo	Ibadan	Oxford House, Beside UBA Regional Office, Lebanon Street, Dugbe, Ibadan, Oyo State, Nigeria.
8	Rivers	Port Harcourt	1B, Stadium Road, Port Harcourt, Rivers State, Nigeria.
	Reinsurance	African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation Nigeria Reinsurance Corporation ZEP Reinsurance (KENYA) CICA Reinsurance (Togo) Chubb European Group Limited (UK) Chaucer (UK) XL Catlin (UK) Arch (UK) WR Berkley (UK) Emirates (UAE) Arab Insurance Group (ARIG Re.)	

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