NSIA INSURANCE

... the true face of insurance

2023 ANNUAL **REPORT & ACCOUNTS**

SUSTAINABLE GROWTH

"BUILDING FOR THE FUTURE"

COTE D'IVOIRE | NIGERIA | BENIN | GABON | SENEGAL | CONGO | TOGO | CAMEROON | GUINEA-BISSAU | MALI | GHANA | GUINEA

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NSIA
INSURANCE

Overview

WHO WE ARE

NSIA is a Pan African Insurance and Banking Group that offers insurance services and conducts banking businesses in numerous African nations. We operate in 12 African countries, with banking operations in about five countries, and have 32 subsidiaries. The Nigeria business known as NSIA Insurance Limited, though a part of the Group, is independent and is regulated by the National Insurance Commission (NAICOM).

NSIA Insurance Limited, formerly known as ADIC Insurance Limited ("the Company"), was incorporated in Nigeria as a limited liability company domiciled in Nigeria and licensed to underwrite all classes and volumes of general and life businesses. It was licensed by NAICOM on April 18, 1989, to carry on insurance business.

We offer a wide range of insurance services to meet the changing financial, investment and lifestyle needs of our stakeholders who benefit from our simple administrative processes. Our highly experienced team collectively put their knowledge to work, creating value and ensuring the satisfaction of our stakeholders. The principal activity of the Company is the provision of Non-life and Life insurance services to individuals and corporate entities.

The Company is organized into two main divisions; non-life (general /short-term business) and life business (individual life, group life). It provides insurance risk management and investment services to both private and corporate individuals.

Non-life insurance business relates to all categories of annual insurance business accepted by the Company such as those associated with loss or damage of property, accidental loss of life, health, disability, and liability insurance; these are analysed into several sub-classes of insurance business based on the nature of the assumed risks.

The Life insurance business relates to the underwriting of risks pertaining to the death of an insured person, savings for a predefined purpose, 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.

The Company also issues investment contract policies in the form of investment-linked products to clients.

OUR Vision, Mission and Core Values

VISION

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

MISSION

To create, protect, and preserve wealth.

CORE VALUES

- Integrity
- Care
- Innovation
- Professionalism

Our History

Full meaning of NSIA: Nouvelle Société Interafricaine d'Assurance

1989

Incorporated originally as African Development Insurance Company (ADIC), a limited liability company domiciled in Nigeria and licensed to underwrite all classes of General and Life businesses.

2006

Became ADIC Insurance Limited in October, 2006 after Diamond Bank Plc acquired 96% equity stake.

2011

NSIA Participations, a financial services conglomerate based in Abidjan, Cote d'Ivoire, successfully acquired ADIC Insurance Ltd (Now NSIA Insurance Limited).

TODAY

NSIA Insurance Limited has grown tremendously to become one of the leading distributors of insurance

Our Frame Work

REINSURANCE

Our business is solidly supported by A-rated Reinsurers led by Africa Re for our Life and Non-Life insurance. Our Oil and Gas reinsurance is led by Chubbs Re in a programme packaged by Capsicum Re. This is also supported by other A-rated securities as required by the National Insurance Commission (NAICOM).

PRODUCTS and OFFERINGS

We offer tailor-made products in both Life and Non-Life classes of insurance

CORPORATE SOCIAL RESPONSIBILITY

We believe that the best environment is the community where we operate. We strive to conduct our business in a way that produces social, economic, and environmental benefits to the Nigerian people and the world at large.

CUSTOMER-ORIENTED

We deliver customer satisfaction every time by offering the most comprehensive protection at the best value for insurance.

QUALITY POLICY

We are committed to the continuous improvement of the effectiveness of our Quality Management System. To achieve this, we review and monitor the validity of our strategic direction whilst assessing the internal and external environment 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.

Our Products

NON-LIFE INSURANCE

Our Non-Life insurance products include the following:

1. **FIRE & SPECIAL PERILS INSURANCE**
   Provides indemnity for losses or damage resulting from fire or special perils such as storms, floods, riots and strikes, malicious damage, impact damage, and falling aircraft or aerial devices.

2. **BUSINESS INTERRUPTION INSURANCE**
   Provides indemnity for financial loss suffered by a business as a result of interruption in business activities following the occurrence of fire or any special peril. Items covered include gross profits, increased cost of working, Auditors' fees, and wages of employees.

3. **BURGLARY & HOUSEBREAKING INSURANCE**
   Provides indemnity to the insured for loss of or damage to insured property as a result of theft accompanied with forcible and violent entry or exit.

4. **COMPUTER & ELECTRONIC EQUIPMENT INSURANCE**
   Covers loss or damage to computers and other electronic equipment from causes such as fire, lightning, explosion, burglary, theft, water damage, and other accidental causes.

5. **MONEY INSURANCE**
   Indemnifies the insured against all risks of loss of money while in transit or in the insured's safe/ premises during and after business.

6. **FIDELITY GUARANTY INSURANCE**
   Provides indemnity for loss incurred following dishonesty, fraudulent conversion of money, embezzlement, etc. of the insured staff. This policy covers losses from every employee insured in the policy

7. **WORKMEN'S COMPENSATION INSURANCE**
   Provides compensation to an employee for death or injury as a result of an accident sustained in the course of their usual employment.

8. **GROUP PERSONAL ACCIDENT INSURANCE**
   Provides compensation for the insured persons in respect of injuries, death, and disablement resulting from physical accidents. It is a 24-hour worldwide cover and may be used as a welfare package for employees, students, clubs, and associations. The benefits payable are for death, permanent disability, temporary disability, medical and repatriation expenses.

9. **MARINE CARGO INSURANCE**
   Provides for loss or damage via sea and air modes of transportation. This cover is similar to Goods-in-Transit insurance which only provides for loss or damage to goods whilst in transit via road or rail.

10. **MOTOR INSURANCE**
    Indemnifies you for loss or damage to vehicles resulting from accident and theft.
    The policies available are;
    - Comprehensive.
    - Third Party.
    - Third Party, Fire & Theft.

11. **PLANT ALL-RISK INSURANCE**
    Covers plants and machines against physical loss or damage resulting from fire, explosion, theft and other unforeseen perils.

12. **TRAVEL INSURANCE**
    Gives you peace of mind when you travel outside your country of residence, be it for business, pleasure or education. It ensures that you are able to journey with peace of mind knowing that you are well covered against unforeseen circumstances such as accidents, sickness or loss of property.

13. **HOUSEHOLDER'S COMPREHENSIVE INSURANCE**
    Covers all listed contents of the building against damage or loss by fire, or theft, and not the building itself.

Our Products

14. HOUSEOWNER'S COMPREHENSIVE INSURANCE
Covers the building and accessory components against damage by fire or designated "special perils" as well as theft of the accessories/ contents.

15. POULTRY INSURANCE
Provides indemnity for loss of birds by death resulting from accidents and/or diseases.

16. FISHERY INSURANCE
Provides indemnity for loss of fish stock resulting from accidents or diseases and collapse of fish pond dykes resulting from fire, flood, windstorm, and lightning.

17. LIVESTOCK INSURANCE
(Domestic Animals) Provides indemnity for loss of livestock from death or injury as a result of accident, disease/illness, fire, storm, flood, and lightning.

18. MULTI-PERIL CROP INSURANCE
Indemnifies farmers whose crops suffer loss or damage resulting from fire, lightning, explosion, aircraft damage, windstorm, flood, drought, and outbreak of disease and pest.

19. COMBINED AGRICULTURAL PRODUCE AND INVESTMENT INSURANCE
Provides indemnity for loss or damage to farm properties, equipment, and goods in storage/ transit resulting from Fire, accident, insect, and pest infestation.

20. AREA YIELD INDEX INSURANCE
An option of crop insurance that indemnifies the difference between the expected yield and the eventual actual yield.

LIFE INSURANCE

A. PROTECTION POLICIES

1. Term Assurance:
Provides a lump sum of money in the event of death of the policyholder within a specified period of time.

2. Whole Life Insurance (NSIA Living Companion):
Helps an individual to live life confidently without worrying about any possible financial difficulties on death, disability, or diagnosis of critical illness. As the name suggests, the product offers life insurance throughout the entire lifetime of an individual.

3. NSIA Keyman Assurance:
This is a basic term assurance contract that is specifically designed for businessmen or women, traders, importers/exporters, key officers of organizations, partners in a firm, and small business owner.

4. NSIA Education Protection Plan (EPP):
This plan is specifically designed to protect groups of families and individuals against the ongoing cost of their child's education upon the death of any of the two parents or accidental permanent physical incapacitation of the fee-paying parents.

5. Group Life Insurance Scheme:
This covers members of a group who could be employees, members of a club, society, association, church, mosque, etc. It provides financial compensation in the event of the death of a member of the group. Death, for this purpose, includes natural or accidental death.

6. NSIA Family Protection Plan: This is designed to address any financial worry in the event that an individual or their family members pass on. It provides a death benefit to the policyholder to defray the cost of the funeral and associated expenses in the event of the death of any of the family members covered on the policy.

Our Products

7. **NSIA Family Welfare Plan:** This plan affords you the opportunity to leave a legacy for your family. It is an annual renewable term assurance plan designed to make financial provision for your family when unforeseen events occur.

8. **NSIA Term Assurance With Cashback:** This is an affordable financial plan designed for you and your loved ones. It pays out a lump sum in the form of a sum assured to beneficiaries in the event that the policyholder passes on. There is also cashback up to 50% of the premium if death does not occur within the cover period.

B. DECREASING NEED POLICIES

1. **Credit Life (NSIA Super Protector):** This is a credit life insurance product designed to protect financial institutions against the risk of death of short-term borrowers. It also serves the purpose of protecting the policyholder's dependants from the financial consequences of an outstanding loan standing against the breadwinner.

2. **Mortgage Protection Assurance (NSIA Family Shield):** This is a mortgage protection product that protects dependents from the hassles of mortgage debts. It keeps the home in the family.

C. INVESTMENT POLICIES

1. **NSIA Savings Plan:** This plan offers prospective policyholders a vehicle through which they can accumulate fund to meet future needs. It is managed through a dedicated investment account into which the policyholder's contributions and attractive interest are credited. The policy duration is three (3) years and minimum contribution per month is N5,000.00.

2. **NSIA Investment Link Product:** This plan offers prospective policyholders a vehicle through which they can accumulate fund over a short period of time to meet future needs. The policy duration is one (1) year and minimum contribution per month is N10,000.00.

D. ENDOWMENT POLICIES

1. **Endowment Assurance Plan:** This product fulfills two needs – life insurance protection against early death during the chosen term of cover and savings towards a lump sum at the end of the term.

2. **Education Endowment Assurance Plan:** It serves as a vehicle for saving towards the future education of the child(ren). The policy also supports the child(ren) in the event of the early death of the policy-paying parent.

3. **Anticipated Endowment Assurance:** This is a unique product that provides a combination of life insurance protection and savings in a flexible manner. The policyholder withdraws a certain percentage of the guaranteed benefit (sum assured) during the tenure of the policy and still collects 100% of the original sum assured at the end of the policy term.

E. ANNUITY

1. **Immediate Annuities:**
   This plan enables the conversion of lump sum savings into lifetime income. It removes the uncertainty of running out of income after retirement. The product is targeted mainly at retirees and individuals who consider annuities as an alternative investment.

2. **NSIA Deferred Annuity Plan:**
   It provides a sustainable vehicle through which policyholders can save towards a regular income at retirement. The plan is designed for you to contribute according to your preferred frequency of payment for retirement and upon maturity, the savings accumulated can be collected as a lump sum or used to buy an Immediate Annuity plan.

F. HEALTH INSURANCE

NSIA health insurance plan is an international health insurance policy for corporate organizations. We help multinationals and local companies establish a culture of health through a fully locally admitted solutions. The plan is supported by Hollard through partnership, in line with the local legislation requirement, the product is branded as NSIA Health.

Result at a Glance

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

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

₦17.3b

Total Equity

2023 **17,350,707**

2022 **14,363,324**

₦36.3b

Total Assets

2023 **36,342,835**

2022 **27,967,046**

₦22.3b

Gross premium written

2023 **22,293,974**

2022 **18, 017,227**

₦3.2b

Profit before income tax

2023 **3,213,934**

2022 **723,576**

₦5.0b

Total Investment & Other income

2023 **5,048,695**

2022 **2,433,432**

₦3.1b

Profit after income tax

2023 **3,095,363**

2022 **618,508**

Contact Information

Corporate Head Office

3, Elsie Femi Pearse Street,
Victoria Island, Lagos.

Tel: 01-2718199, 08097209218

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, Nigeria.

WARRI
57, Effurun/Sapele road, Effurun, Delta State Nigeria.

ONITSHA
46, Iweka Road, Onitsha, Anambra

KANO
375, Civic Centre Road, JBS Plaza, Kano State

PORT HARCOURT
1b, Stadium Road, Port Harcourt, Rivers State

BENIN
71, Flowell Pharmacy Building, Sapele Road, Benin City, Edo State

KADUNA
23, Muhammadu Buhari Way (formerly Wharf Road) Kaduna

IBADAN
Oxford House, Beside UBA Regional office, Lebanon Street, Dugbe, Ibadan

ASPAMDA
Kelvino Plaza, Opposite Bayelsa Gate, Alon Auto Parts, Balogun Business Association Road, ASPAMDA, Trade Fair Complex

Corporate Information

Board of Directors

Dr Adesegun AKIN-OLUGBADE,OON	Chairman	
Moruf APAMPA	Managing Director	
Chidi AJAERE	Director	*(Resigned 30th June,2023)*
Adeola ADETUNJI	Director	
Mansan DOMINIQUE DIAGOU EPSE EHILE*	Director	
Hélène KONIAN*	Director	
Apollos IKPOBE	Director	
Matthieu LAWSON***	Director	
Almamy TIMITE*	Director	
Sidy FAYE**	Director	
Sunny UWAGBOI	Executive Director	*(Resigned 30th January,2023)*
Abideen MUSA	Executive Director	

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

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

Company's FRC No
FRC/2012/0000000000303

Company's RC Number
129628

Principal Reinsurers
African Reinsurance Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation
Nigeria Reinsurance Corporation
FBS Reinsurance

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

Actuary
Zamara Consulting Actuaries Nig Ltd
4th Floor, Ibukun House,
Adetokunbo Ademola,
Victoria Island, Lagos

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

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

Engagement Partner:
Abiodun Akinnusi
FRC/2021/004/00000023786

Engagement Partner:
Jay Kosgel
FRC/2021/PRO/
ICAN/004/00000023386

Property Valuers
A.C. Otegbulu & Partners
5th Floor, Western House,
8 – 10 Broad Street,
Lagos, Nigeria

Engagement Partner:
Abiodun Akinnusi
FRC/2013/NESV/00000001582

Governance

Board of Directors

Dr. Adesegun
AKIN-OLUGBADE (OON)
Chairman, Board of Directors

Moruf
APAMPA
Managing Director

Mansan Dominique
DIAGOU EPSE EHILÉ
Non – Executive Director

Apollos
IKPOBE
Non – Executive Director

Hélène
KONIAN
Non – Executive Director

Mathieu
LAWSON
Non – Executive Director

Sidy
FAYE
Non – Executive Director

Almamy
TIMITE
Non – Executive Director

Adeola
ADETUNJI
Non – Executive Director

Abideen
MUSA
Non – Executive Director

Board of Directors Profile

Dr. Adesegun AKIN-OLUGBADE (OON)

Chairman, Board of Directors

Dr. Adesegun AKIN-OLUGBADE is an international lawyer and a leading finance and corporate governance expert with extensive legal, financial services and corporate management experience. He holds a Doctorate degree (SJD) and a Masters' 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, legal and regulatory compliance and is currently an 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 also served as Of Counsel at Clifford Chance (CC Worldwide Limited) and completed his consultancy certification in early 2024.

He currently sits on the Board of NSIA Insurance Limited as the Chairman of the Board.

Moruf APAMPA

Managing Director

Moruf is a highly driven and successful professional with over 25 years' experience of driving business operations and enhancing corporate productivity within the Insurance landscape. His exposure to the insurance business is extensive and versatile, covering both Life, Non-Life and Insurance Broking.

He is a graduate of Insurance from the Lagos State Polytechnic and holds an MBA from University of Ado-Ekiti. His professional pedigree is well-rounded with an 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 organization.

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.

Board of Directors Profile

Mansan Dominique DIAGOU EPSE EHILÉ

Non – Executive Director

Mansan Dominique DIAGOU Epse EHILÉ serves as the Central Operating Director at NSIA Participations. She is a professional with over fifteen (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.

Dominique 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 Masters in Business Administration from the Bryant University, USA.

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

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 loss-making branch to the 4th most profitable 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.

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 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.

Board of Directors Profile

Mathieu LAWSON

Non – Executive Director

Mathieu Benjamin Aimé LAWSON is the founder and Managing Associate of Beninvest Assurances, the founder, and Chairman of Firstnet S.A. He has been the founder, and CEO of Sogequip-Firstnet, the founder and Vice-President of Union Beninoise d'Assurances Vie (UBA-VIE), the founder and Managing Associate of Beninvest-Consultants. He was the Managing Director of SONAR (National Insurance Company, Republic of Benin).

He is a Lawyer who obtained his law degree from the Abidjan University, Law Faculty, where he also obtained his masters 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 sits on the Board of various companies and currently serves as a Non-executive Director on the Board of NSIA Insurance Limited.

Almamy TIMITE

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. As such, his 25-year diverse experience affords him a high level of adaptability in strategic, operational and transactional competences 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 he 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, he trained as electrical engineer in France and holds an MBA from Emory University, USA.

Sidy FAYE

Non – Executive Director

Sidy FAYE is an accomplished expert with over thirty-five (35) years' 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 trainings 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.

Board of Directors Profile

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.

Abideen MUSA

Non – Executive Director

Abideen is a seasoned insurance professional with over 22 years' experience in underwriting different classes of Risks, Claims Management and Marketing. Currently heading the Technical Department of General and Life Businesses, Abideen was appointed as an Executive Director in March 2017.

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 heading the Underwriting Unit.

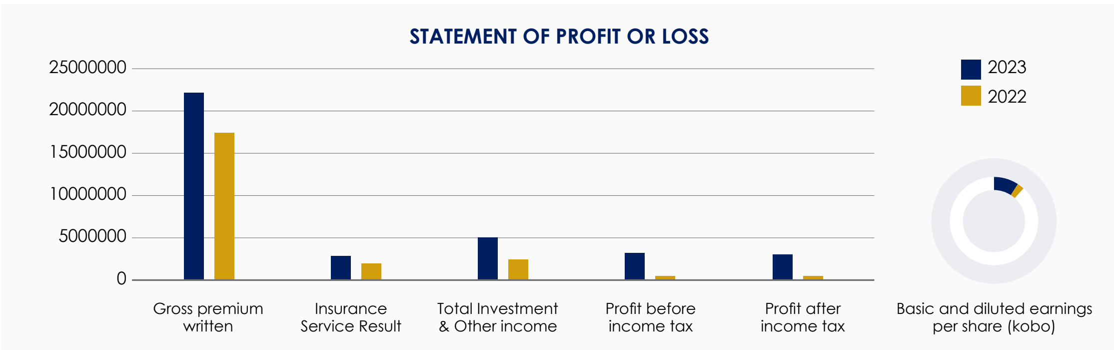
Abideen has both a Bachelor's and Master's Degree in Geography and Planning from the University of Lagos. He is also an Associate member of the Chartered Insurance Institute of Nigeria and an alumnus of Lagos Business School.

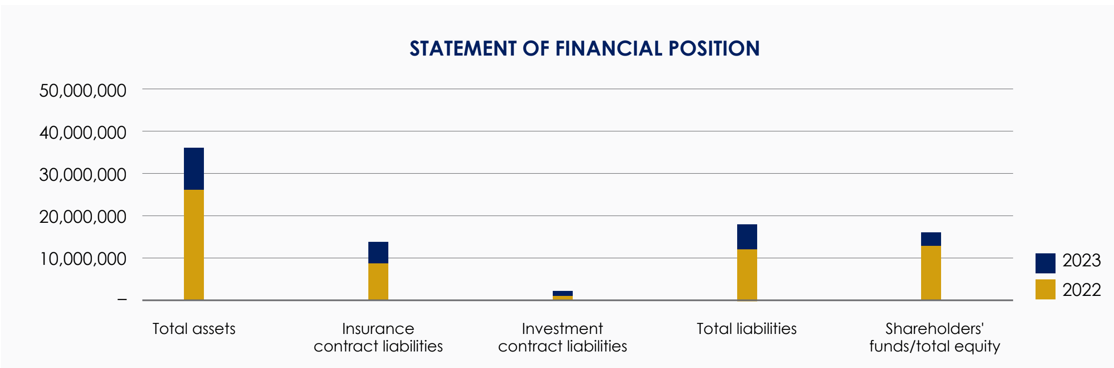
He has attended diverse local and international trainings/conferences. A sports fan, Abideen enjoys table tennis, football, traveling and reading.

Financial Highlights

For The Year Ended 31 December 2023

In thousands of Naira	2023	2022	%
STATEMENT OF PROFIT OR LOSS			
Gross premium written	22,293,974	18, 017,227	24
Insurance Service Result	2,887,730	1,960,235	47
Total Investment & Other income	5,048,695	2,433,432	107
Profit before income tax	3,213,934	723,576	344
Profit after income tax	3,095,363	618,508	400
Basic and diluted earnings per share (kobo)	17	3	467
STATEMENT OF FINANCIAL POSITION			
Total assets	36,342,835	27,967,046	30
Insurance contract liabilities	13,652,251	9,859,489	38
Investment contract liabilities	101,182	155,113	(35)
Total liabilities	18,992,128	13,603,722	40
Shareholders' funds/total equity	17,350,707	14,363,324	21





Chairman's Statement

"Dear Esteemed Shareholders, fellow Board members, and all stakeholders, distinguished ladies and gentlemen. I have the pleasure of presenting to you, the Annual Report and Accounts for the Financial Year ended 31st December 2023 for your insight."

OPERATING ENVIRONMENT

The year 2023 unfolded against the backdrop of a dynamic economy marked by both opportunities and uncertainties.

The year started with general elections in mind which many believed would shape various sectors and ways of doing business. There were optimisms in certain quarters where it was believed that, irrespective of the political party coming on Board, tractions would be seen in areas of foreign direct investments, foreign exchange policy, inflations, monetary and fiscal policies. Most institutions and organizations slowed down their decisions in critical areas of the business pending when the election was over and direction would be certain.

As noticed in the previous years, specifically from 2020 – 2022, there were advancements in technologies and lots of innovation in that line of business as more businesses continued to reduce operational cost significantly, leveraging technologies and innovations available in that space. Hence, the effect of COVID-19 on businesses began to wane.

Your company, against all odds, remains resilient and stands strong in the premium growth and prudent risk management, by capitalizing on emerging opportunities in the business line.

Chairman's Statement

NIGERIA ECONOMY IN 2023

The Nigeria economy in the year 2023 was characterized by a mix of optimism and apprehension.

The country's economy experienced a slowed growth in the period under review, with the real GDP growth of 2.4%, which was the lowest since 2019, after the COVID-19 pandemic recovery. The new administration has introduced two key policies that brought significant change to the economy landscape, namely, the forex unification and the subsidy removal.

The two key policies, though with intention to attract foreign investments and improve the country's infrastructures, have nevertheless skyrocketed the cost of running businesses in Nigeria with inflation closing at 28.92% in December 2023 while it rose from 21.82% in January. This is a growth of over 7% within a year, being the highest ever recorded. Inflation rate as at June 2024 is 34.19%. The purchasing power has significantly reduced among Nigerians.

However, the Central Bank of Nigeria continued to manage the rising inflation with strict monetary policy measures, such as hike in the MPR from time to time in order to encourage savings and reduce pressure on expenses. The MPR rose from 18.75% in May 2023 to 26.75% in July 2024. All these seem not to be yielding the expected results. It is hopeful that the emergence of Dangote refineries and other local refineries would significantly reduce pressure on the needs for foreign currencies to import petroleum products, thereby reducing cost of power generation significantly, which may positively impact on inflation and cost of living. In all these, the country has witnessed some significant improvements in infrastructures, perhaps the effects of subsidy removal.

INSURANCE INDUSTRY

The Insurance industry in Nigeria experienced notable transformations in 2023, driven by technological advancements, changing consumers preferences, and regulatory reforms.

The major landmark in the industry in the year 2023 is the implementation of IFRS 17 accounting standard and this has impacted recognition, measurement and reporting of insurance and investment contract liabilities in the entire industry.

Your company. NSIA Insurance has proactively adapted to these changes and has also embraced digitalization for customers engagement, visibility and expanding the company's product offerings to meet the needs of the evolving market. We understand our competitors very well, as intense as it is, our focus on operational efficiency, risk management, and strategic partnerships will continue to enable us to maintain a competitive edge and deliver sustainable values to all our customers and all other stakeholders. In a strategic effort to increase our premium share in retail space, the NSIA Mobile App has been introduced and this will be officially launched in no distance time.

Nigerian Insurance Industry still maintained a positive growth trajectory with an estimated Gross Premium Income (GPI) of about N805bn (2022: N733Bn) representing a growth about 10.0% YoY; notably driven by the consistent regulatory measures being carried out by the Commission. It is expected to continue to achieve a CAGR of 10% between 2023-2027. CAGR is the Compound Annual Growth Rate.
The third-party insurance policy rates from the basic rate of N5,000 to N15,000, which was introduced in 2022 is still in vogue and has helped in generating a higher GPI by the entire industry in the year 2023. The set minimum premium rate of 5% for comprehensive motor insurance policies is still on as well amongst other new policy measures.

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

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 26% from N18.0 billion in 2022 to N22.9 billion in the year under review while the Gross Premium Income (GPI) increased by 17.8% from N16.8 billion in 2022 to N19.8 billion in 2023. Furthermore, the Profit Before Tax scaled from N723.6 million in 2022 to N3.2Billion representing a growth of 217.8% whilst the Profit After Tax also rose by 385% from N618.5 million in 2022 to N3.0Billion in 2023. The increase in GPW was largely experienced by all classes of our business (Life and Non-Life). It is

Chairman's Statement

Gross Premium Written (GPW) grew by	Our insurance service expense settled was	total assets of the company grew by
26%	N13.6b	30%

important to also state that the growth in the profit is partly as a result of the forex gain recorded by the company during the year.

Our insurance service expense settled was N13.6Billion as against N11.7Billion paid in 2022 which represents a year-on-year growth of 16%, 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 30% from N27.9Billion to close at N36.3Billion as of 31st December 2023. This growth was driven by the company's sound investment strategy which was bolstered by the increase in Gross Premium Written, and the forex gain recorded during the year.

FUTURE OUTLOOK

The outcome of the presidential elections in 2023 has brought some dimensions into the business and required a more dimensional and intentional approach to doing businesses going forward. The infrastructures improvements are being noticed though costs of living are on the rise,

States revenue allocations have significantly improved while local government across federation have been granted autonomies to run the affairs of their locality. These new initiatives may have significant improvement in the country's infrastructures, hence, creating opportunities for insurance to thrive proportionately.

Increase in minimum wages of public servants and some organizations in private sector to address the high cost of living, may also pave ways and opportunities for Insurance improvement in the retail space.

We expect improved regulatory intervention as well as the introduction of fresh ideas to drive overall economic transformation. The new Board has recently been injected into the Regulatory arm and saddled with the responsibility to efficiently and effectively run the affairs of the Regulatory body. Tractions are expected along this line.

As a flexible and market-sensitive company, NSIA Insurance will remain tenacious and steadfast in the implementation of our 5-year business strategy, while the company continues 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, government aggressiveness in infrastructural developments and increased premium rates for motor insurance, by the regulatory body. The Company will also strategically drive the International Health Insurance to sustain an overall improved performance and earn more of foreign currencies for a better positioning.

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 2023, despite facing the economic hardship and turbulences. 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
August 14, 2024

Directors' Report

For The Year Ended 31 December 2023

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,2023

(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	2023	2022
Insurance Service result	2,887,730	1,960,235
Net investment income	5,048,695	2,433,432
Total net underwriting and investment income	7,936,425	4,393,667
Profit before income tax	3,213,934	723,576
Income tax	(118,571)	(105,068)
Profit after income tax	3,095,363	618,507
Appropriations:		
Transfer to statutory contingency reserve	(564,964)	(389,717)
Transfer to Retained earnings	2,530,399	228,791
Retained earnings, beginning of the year	662,166	433,375
Dividend paid during the year	(395,999)	-
Retained earnings, end of the year	2,796,566	662,166

(d) Dividend

During the year, the sum of N395,999,000(2.2k per share) (2022: no dividend was paid) was paid as final dividend for 2022 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.

Directors' Report

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.

(f) Board of Directors

The following board members served during the year

Dr Adesegun AKIN-OLUGBADE,OON	Chairman
Moruf APAMPA	Managing Director
Chidi AJAERE	Director (Resigned 30th June,2023)
Mansan DOMINIQUE DIAGOU EPSE EHILE*	Director
Hélène KONIAN*	Director
Apollos IKPOBE	Director
Adeola ADETUNJI	Director
Matthieu LAWSON**	Director
Almamy TIMITE*	Director
Sidy FAYE**	Director
Sunny UWAGBOI	Executive Director ((Resigned 30th January,2023)
Abideen MUSA	Executive Director

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

Directors' Report

(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	Number of Ordinary Shares Held 31 Dec 2023	Number of Ordinary Shares Held 31 Dec 2022
Dr Adesegun AKIN-OLUGBADE,OON	Nil	Nil
Moruf APAMPA	Nil	Nil
Mansan DOMINIQUE DIAGOU EPSE EHILE	Nil	Nil
Hélène KONIAN	Nil	Nil
Apollos IKPOBE	Nil	Nil
Adeola ADETUNJI	Nil	Nil
Matthieu LAWSON	Nil	Nil
Almamy TIMITE	Nil	Nil
Sidy FAYE	Nil	Nil
Abideen MUSA	Nil	Nil

(h) Acquisition of own shares

The Company did not purchase its own share in the 2023 (2022: Nil).

(i) Property and equipment

Information relating to changes in property and equipment is given in Note 25 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 2023 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

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

(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 2023:

	31 December 2023		31 December 2022	
	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 ₦5,325,123 (2021: ₦4,712,639) to the following organizations during the year.

	2023	2022
Down Syndrome Foundation	4,015	3,865
National Insurance Association	-	100
Professionals Insurance Ladies Association	250	-
Institute of Chartered Accountants of Nigeria	200	200
Chartered Insurance Institute of Nigeria	360	47
NCRIB, NNBE, NAIPCO & Others	500	500
	5,325	4,712

(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

Directors' Report

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:

31 December 2023	Male (Number)	Female (Number)	Total (Number)	Male (Percentage)	Female (Percentage)
Employees	82	54	136	60%	40%
Gender analysis of the Board and top management:					
Board	7	2	9	78%	22%
Top management	2	3	5	40%	60%
Detailed analysis of the Board and top management:					
Assistant General Manager	1	1	2	50%	50%
Deputy General Manager	1	2	3	33%	67%
General Manager	0	0	0	0%	0%
Executive Directors	2	0	2	100%	0%
Non-executive Directors	5	2	7	71%	28%
Total	9	5	14		

31 December 2022	Male (Number)	Female (Number)	Total (Number)	Male (Percentage)	Female (Percentage)
Employees	77	60	137	48%	52%
Gender analysis of the Board and top management is as follows:					
Board	10	1	11	91%	9%
Top management	1	3	4	25%	75%
Detailed analysis of the Board and top management is as follows:					
Assistant General Manager	1	1	2	50%	50%
Deputy General Manager	0	1			
General Manager	0	1	1	0%	100%
Executive Directors	3	0	3	100%	0%
Non-executive Directors	7	1	8	88%	13%
Total	11	4	14		

Directors' Report

(o) Events after the reporting date

As disclosed in Note 39 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 2023 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

25 June, 2024

Statement of Corporate Responsibility for the Financial Statements

for the year ended 31 December 2023

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 ,2023 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 31,2023.

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) 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.

v) 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.

June 25th, 2024

Rasheed BELLO
Acting Chief Financial Officer
FRC/2014/PRO/ICAN/001/00000008177

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 2023

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 IFRS Accounting Standards as issued by International Financial Reporting Standards Board (IASB) 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 (Amendment) Act 2023;

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 IFRS Accounting Standards as issued by International Financial Reporting Standards Board (IASB) 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 (Amendment) Act 2023.

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 2023. 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

25th June,2024

Moruf APAMPA
Managing Director/CEO
FRC/2017/CIIN/00000016004

25th June,2024

Corporate Governance Report

for the year ended 31 December 2023

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 provisions 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 ten (10) members which includes eight (8) Non-Executive Directors (inclusive of the Chairman) and two (2) Executive Directors. In the year under review, two (2) directors, an executive, and a non-executive director resigned from the Board. In view of implementing the recommendation of Tsedaqah Attorneys in the 2022 annual Board evaluation report, the Board recommended the appointment of an additional female Director with expertise in technology at its Q4, 2023 meeting. The said appointment is pending NAICOM's final approval. The appointment reflects the Board's commitment towards inclusion and diversity as stipulated in the Guidelines.

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 proper oversight on various aspects of the company and good structuring in line with the Nigerian Code of Corporate Governance requirements.

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.

Corporate Governance Report

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 reports 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 business and 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 restructure the composition of the Committees to ensure that the relevant skills and expertise of Directors are adequately utilized. The proposal for restructuring and re-composition of the Committee was brought forward by the Chairman of the Nomination, Remuneration and Governance Committee and was approved by the Board at its Q4, 2023 meeting held on December 6, 2023.

The Board also implemented the recommendations on allocation of sufficient time for discussions at the Audit & Compliance Committee meeting. This Committee had four meetings in 2023.

The Board's four standing committees are the Enterprise Risk Management Committee, the Nomination, Remuneration 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. Following the re-composition, the Committee is made up of four (4) members, three (3) of whom are non-executive directors, the Chairman being one of them, and one (1) executive director. The Committee held four (4) meetings in 2023.

- 6th March, 2023
- 3rd May, 2023
- 9th August, 2023
- 15th November 2023

b. Nomination, Remuneration and Governance Committee

This Committee is charged with the nomination 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. Although previously made up of five (5) members, the Committee is made up of four (4) members, all of whom are non-executive directors, including the Chairman. The Committee held six (6) meetings in 2023.

- 31st January 2023
- 2nd May 2023
- 7th August 2023
- 28th August 2023
- 14th November 2023
- 23rd November 2023

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. Although previously made up of five (5) members, the Committee is made up of four (4) members, all of whom are non-executive directors, inclusive of the Chairman. The Committee held Five (5) meetings in 2023.

- 17th January 2023
- 8th March 2023
- 5th May 2023
- 11th August 2023
- 17th November 2023

Corporate Governance Report

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 Five (5) meetings in 2023.

- 7th March 2023
- 25th April 2023
- 10th May 2023
- 10th August 2023
- 16th November 2023

Board Committee Composition

The Board Committee composition is as follows:

Name of Director	Role	Finance Investment & General-Purpose Committee	Audit & Compliance Committee	Nomination, Remunerations and Governance Committee	Enterprise and Risk Management Committee	Total Number of Committee
Dr. Adesegun AKIN-OLUGBADE, OON	Chairman (Independent)	Non-Member	Non-Member	Non-Member	Non-Member	0
Moruf APAMPA	Managing Director	Member	Non-Member	Non-Member	Non-Member	1
Abideen MUSA	Executive Director	Non-Member	Non-Member	Non-Member	Member	1
Mrs. Mansan EHILÉ	Non-Executive Director	Member	Non-Member	Member	Non-Member	2
Mrs. Helene KONIAN	Non-Executive Director (Independent)	Non-Member	Non-Member	Member	Member	2
Apollos O. IKPOBE	Non-Executive Director (Independent)	Non-Member	Member	Member	Non-Member	2
Sidy FAYE	Non-Executive Director	Non-Member	Member	Non-Member	Member	2
Mathieu BENJAMIN Aime LAWSON	Non-Executive Director (Independent)	Non-Member	Non-Member	Member	Member	2
Almamy TIMITE	Non-Executive Director	Member	Member	Non-Member	Non-Member	2
Adeola ADETUNJI	Non-Executive Director (Independent)	Non-Member	Member	Non-Member	Member	2

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 Down Syndrome Organization of Nigeria amongst others.


NSIA INSURANCE
SWITCH TO THE PLUS SIDE OF LIFE
Get covered with NSIA Insurance
NSIA...the true face of insurance.
enquiy@nsiainsurance.com
www.nsiainsurance.com
NSIA INSURANCE

Financial Statements

Independent Auditor's Report

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Building a better working world

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 2023, 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 material accounting policy information.

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 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 (Amendment) Act, 2023.

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 Ethics Standards Board for Accountants' 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 Matters

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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, 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

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performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contract Liabilities The Company has material insurance contract liabilities of ₦13.7billion (2022: ₦9.9billion) representing 72% (2022: 72%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit. The Company reviews its unexpired risk at reporting date. Provision for reported claims is based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported involve judgment and economic assumptions. Consistent with the insurance industry practice and regulatory guideline, the Company engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year-end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Refer to Notes 2(a)(o)(i)(H) - Measurement on insurance contracts issued, 4.1 - Key sources of	We performed the following audit procedures with the support from our internal actuarial specialists: • obtained and documented our understanding of the Company's basis of valuation; • agreed schedules to the general ledger and tested the completeness and accuracy of the subledgers; • checked the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts; • tested data items used as inputs (premium data and claims data) to valuation or valuation models, including those involved in retrospective and prospective liability calculations; • checked consistency and accuracy of administration of claims and any other accounting data; • reviewed the accuracy of data items used as inputs (premium data, claims data, assumptions etc.) to valuations or valuation models, including those involved in retrospective and prospective liability calculations; • verified the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts;

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Key Audit Matter	How the matter was addressed in the audit
estimation uncertainty and 28 - Insurance Contract Liabilities.	• confirmed the appropriateness of disclosures made in the financial statements as regards insurance contract.
Disclosure of the impact of the adoption of International Financial Reporting Standards (IFRS) 17 Insurance contracts Effective 1 January 2023, the Company transitioned to IFRS 17: 'Insurance Contracts' which replaced the existing standard for insurance contracts, IFRS 4 'Insurance Contracts'. The disclosure of the impact of the adoption of IFRS 17 is a key audit matter as this is a new and complex accounting standard which has required considerable judgment and assumptions in its implementation, and introduced a number of significant changes, including new requirements regarding the measurement and presentation of insurance contracts and related account balances and classes of transactions. We focused on the significant judgements and assumptions applied in determining the following: - Transition Approach - Accounting policies - Methodology used to determine discount rates at transition date - The methodology adopted and key assumptions employed to recalibrate and restate the figures previously reported.	We performed the following audit procedures: • gained a detailed understanding of the process to estimate the transitional adjustments and obtained an understanding of relevant controls; • evaluated the appropriateness of key technical accounting decisions, judgments, assumptions and elections made in determining the estimate against the requirements of the standard; • reviewed management's documentation of the transition approach for groups of insurance contracts at transition date; • tested the IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" disclosures related to the transition impact and reconciled the disclosed impact to underlying accounting records.

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Key Audit Matter	How the matter was addressed in the audit
Refer to Notes 2 (a)(i) - IFRS 17 Insurance Contracts, 2 (o)(i) - Insurance contracts classification and 45 - IFRS 17 Transition adjustment to the financial statements for the disclosures on the impact of adopting IFRS 17.	

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "NSIA Insurance Limited Report of the Directors and Audited Financial Statements for the year ended 31 December 2023", which includes 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.

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 the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 (Amendment) Act, 2023, and for such internal control as the

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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.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

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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 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.

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Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, and Section 28(2) of the Insurance Act 2003, 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 it 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
As disclosed in Note 36 to the financial statements, the Company did not contravene any circulars of the National Insurance Commission (NAICOM).

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA ICAN 0679209

Abiodun Akinnusi
FRC/2021/PRO/ICAN/004/00000023386
For Ernst & Young
Lagos, Nigeria

22 July 2024

Summary of Material 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 25 June, 2024

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 Material 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) as issued by the International Accounting Standards Board (IASB).

The financial statements comply with the relevant provisions of Companies and Allied Matters Act, 2020 (""CAMA 2020""), Financial Reporting Council of Nigeria (Amendment) Act 2023, 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 material 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.

Summary of Material Accounting Policies

(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 17

(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) 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;

Summary of Material Accounting Policies

- 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.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures requi+B71red. 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.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

(i.1) Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts.

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company. Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts, except for individual life policies, held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cashflows and less amounts recognised in revenue for insurance services provided
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-notreported(IBNR)claims) is determined on a discounted probability-weighted expected value basis,and includes an explicit risk adjustment for non-financial risk.The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Summary of Material Accounting Policies

The Company expenses its insurance acquisition cash flows for its property insurance product line immediately upon payment and capitalises insurance acquisition cash flows for all other product lines. For product lines where insurance acquisition cash flows are not immediately expensed, the Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

For individual life policies that falls under the general measurement model,the following IFRS 17 key principles apply;

- Identifies insurance contracts as those under which the Company accepts significant insurance risk from
  another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain futureevent (the insured event) adversely affects the policyholder
- Separates specified embedded derivatives, distinct investment components and distinct goods or servicesother than insurance contract services from insurance contracts and accounts for them in accordance witother standards
- Divides the insurance and reinsurance contracts into groups it will recognise and measure
- Recognises and measures groups of insurance contracts at:
- A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporate all available information about the fulfilment cash flows in a way that is consistent with observable market information
  Plus
- An amount representing the unearned profit in the group of contracts (the contractual servicemargin or CSM)
- Recognises profit from a group of insurance contracts over each period the Company providcontract services, as the Company is released from risk. If a group of contracts is expected to(i.e., loss-making) over the remaining coverage period, the Company recognises the loss imm
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of rinsurance contracts.

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Summary of Material Accounting Policies

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

(i.3) Transition

On transition date, 1 January 2022, the Company:

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

(i.3.1) Transition Approach

In adopting IFRS 17, the Standard outlined three transition approaches as follows:

- Full Retrospective approach
- Modified Retrospective approach
- Fair Value approach

In determining the most practicable transition approach to IFRS 17 for the company, the factors considered are as stated below:

- The policy term of insurance contracts in force
- The IFRS 17 measurement Method applicable
- The availability and nature of historic underwriting and investment data in respect of the insurance products considered; and
- The time and effort required to retrieve historic data records and manipulate them into the format required for IFRS 17 calculation

An assessment of business mix of Non-Life segment including group life/health business segments (under life business) by policy term as at the reporting date revealed that the majority of the insurance contract issued are short term with average coverage period of one year or less. Therefore, PAA measurement method was considered more appropriate and it follows also, that the Full Retrospective approach is practicable to adopt as the level of data and information required is readily available. However, for the individual Life segment of the business,after careful analysis of various products under this category,fair value transition method was applied for group of contracts underwritten in 2020 and prior while full retrospective approach would be applied for contracts underwritten from 2021 onwards.

The impact of this standard is further disclosed in details below under item 3(o) of the summary of material accounting policies.

Summary of Material Accounting Policies

(ii) Definition of Accounting 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 Board amends IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty. Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

The amendments are effective for annual periods beginning on or after January 1, 2023 and this have been considered in the preparation of this financial statements. However,this does not have have impact on the financial statements of the entity.

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

(iii) 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 have impact on the financial statements of the entity as the entity does not have such transactions in his records.

(iv) 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

The amendment has impacted the disclosure of material accounting policies but did not impact the recognition, measurement and presentation of transactions in the financial statements.

(v) International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The International Accounting Standards Board (IASB) has published 'International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)' to respond to stakeholders' concerns about the potential implications of the imminent implementation of the OECD pillar two model rules on the accounting for income taxes.IASB publishes this amendments to IAS 12 to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

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

Summary of Material Accounting Policies

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 2024 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) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The ammendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

While the November 2020 ED had proposed that a seller-lessee initially measures the right-of-use asset and lease liability arising from a leaseback using the present value of expected lease payments at the commencement date, the final amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

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

(ii) Amendment to IAS 7 and IFRS 7 - Disclosure-Supplier Finance Arrangements

On May 25, 2023, the IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

Supplier finance arrangements are often referred to as supply chain finance, trade payables finance or reverse factoring arrangements.

The amendments supplement requirements already in the IFRS Accounting Standards and require a company to disclose:

The terms and conditions; the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; ranges of payment due dates; and liquidity risk information.

This does not impact on the financial statements of the entity

(iii) Amendments to IAS 21 - Lack of Exchangeability
An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.The ammendment addresses the following;

- Specify when a currency is exchangeable into another currency and when it is not,
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable and;
- Require the disclosure of additional information when a currency is not exchangeable

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

(iv) 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.

(v) 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 2024 and this amendments are not expected to have an impact on the financial statements of the Company.

3 Applicable material 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 2A,.

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:

Summary of Material Accounting Policies

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.

(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.

Summary of Material Accounting Policies

'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.

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.

Summary of Material Accounting Policies

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. 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'.

Summary of Material Accounting Policies

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.

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 Material 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.

Summary of Material Accounting Policies

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.

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
- 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.

(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.

Summary of Material Accounting Policies

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 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.

Summary of Material Accounting Policies

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 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

Summary of Material Accounting Policies

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.

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.

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 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.

Summary of Material Accounting Policies

d 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.

e 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.

f 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.

g Prepayments

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

h 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 they have been disposed of or when the investment property is permanently withdrawn from use and no

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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.

i 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.

j 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.

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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.

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

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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 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.

k 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.

l 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.

m 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

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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.

o Insurance contracts

i Classification

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

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

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

(i) Life insurance

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

(a) Individual Life With-profit Policies - These are endowment plans with participating features.

The Company accounts for these policies applying the General Model.

(b) Individual Life Without-profit Policies including:

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

The Company accounts for these policies applying the General Model.

(c) Life Business – Deposit based policies.
These contracts are individual term assurance plans providing a death benefit with non-distinct investment components.

The Company accounts for these policies applying the General Model.

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

(e) Health Insurance - Company issues international health insurance providing international health insurance benefits to employees of businesses with coverage of one year or less

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

(ii) Non-life insurance

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offering include motor, property, marine, fire,engineering,bond and general accident . These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

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

Reinsurance contracts

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

- For the life business (group life and health), the company holds quota share reinsurance treaties and accounts for these treaties applying the PAA.The Company do not hold reinsurance contracts on individual life qualified to be measured under the general measurement model as businesses done here all all within our capacity as a company and as such do not give rise to reinsurance contracts.

- For non-life, the company holds facultative (excess of individual loss) reinsurance policies and quota share reinsurance contracts accounted for applying PAA

B. *Definitions and classifications*

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

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

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

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

C. *Combining a set or series of contracts*

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

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

D. Separating components from insurance and reinsurance contracts

The company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the company's products do not include distinct components that require separation. Some term life contracts issued by the company include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in IFRS 17.However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses. The surrender options are considered non-distinct investment components as the company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

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

Paragraph B18 of IFRS 17 states that an entity needs to assess the insurance risk excluding scenarios that have no commercial substance (i.e no discernible effect on the economics of the transaction). Hence, for the purpose of determining if an insurance contract includes an investment component the entity needs to assess whether scenarios in which no payments are made have commercial substance.

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The entity does not consider a scenario for which no payment is made if that scenario has no commercial substance.

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

E. Level of aggregation

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

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.At initial recognition, the company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12month period. Each cohort is then further disaggregated into three groups of contracts:

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

For the Retail Life business, the determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis.The composition of groups established at initial recognition is not subsequently reassessed.The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new businesses.For short term contracts accounted for applying the PAA, the company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. For contracts that are not onerous, the company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. the company considers facts and circumstances to identify whether a group of contracts are onerous based on:

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

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

All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. the company

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expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component. An example is the NLIP reinsurance contract covering Auto, Casualty and Employer's Liability Lines. Each reinsured line is managed separately and priced separately so they are treated as separate reinsurance contracts. If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year).

While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

F. Recognition

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

This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.As required by the standard, NSIA will recognize contracts from the date at which they are determined to be onerous, if this occurs before premium payment or cover commencement.

G. Contract Boundaries

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

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

Or

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

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognized. Such amounts relate to future insurance contracts. For life contracts with renewal periods, the company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the company by considering all the risks covered for the policyholder by the company,that the company would consider when underwriting equivalent contracts on the renewal dates for the remaining service. the company reassesses contract boundary of each group at the end of each reporting period.

H. Measurement of insurance contracts issued

1. General Model

1.1 Insurance contracts - initial measurement

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

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows.

The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future the company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

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

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

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

- Information about claims already reported by policyholders.
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own

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experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.

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

Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk). In determining discount rates for cash flows, the company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate as determined by the Nigerian Actuarial Society plus an illiquidity premium where applicable .The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

Risk adjustment for non-financial risk

The company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk.. Risk adjustment for non-financial risks was determined using VAR approach with a confidence level of 75% for non-life business and probability for adverse deviation approach for life business with 90% confidence level.

Contractual service margin (CSM)

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

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

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

If a group of contracts is onerous, the company recognizes a loss on initial recognition. This results in the carrying amount of the liability for the company being equal to the fulfilment cash flows, and the CSM of the company being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts. The company determines at initial recognition the company's coverage units. The company then allocates the company's CSM based on the coverage units provided in the period. the company allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts atthe date of acquisition. the company uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition

Insurance acquisition cash flows

The company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the company itself or the portfolio of insurance contracts to which the company belongs.The company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the company but directly attributable to the company.

The company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis. The company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.In the current and prior year, the company did not identify any facts and circumstances indicating that the assets may be impaired.

Deferred acquisition costs (DAC)

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

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

1.2 Insurance contracts – Subsequent Measurement (General Model)

In estimating the total future fulfilment cash flows, the company distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).The LRC represents the company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred,amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

The LRC is comprised of:

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

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

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reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts,timing and uncertainty of future cash flows, as well as discount rates and other financial variable. The company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non financial assumptions,changes in discount rates and financial assumptions.The company first calculates the changes in discount rates and financial assumptions on the fulfilment cashflows(as expected at the beginning ofthe period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Adjustments to the CSM

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

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

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

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

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

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract.

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2. Premium Allocation Approach

Insurance contracts

This is a simplification of the general model. The entity applies the PAA to the measurement of group life,health insurance and non-life insurance contracts with a coverage period of each contract in the group of one year or less. Contracts with coverage period above one year which are not immediately eligible for the PAA, were subjected to a PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualified for PAA. On initial recognition, the entity measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premiums (which will be unearned at the start) less the acquisition costs (as the company has chosen not to expense acquisition costs as incurred). The company has determined that there is no significant financing component in group life,health and non-life insurance contracts with a coverage period of one year or less. The company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

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

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

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business. Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. NSIA has opted not to expense acquisition cash flows immediately when incurred.

Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the former being the method adopted by NSIA). The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC). IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. NSIA has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

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It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less. For contracts measured under PAA in the company, insurance acquisition costs comprise of costs:

- that are directly attributable to individual contracts or groups of contracts in a portfolio belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.

3. Onerous contracts

The company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow. On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified. On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked forthe purposes of presentation and subsequent measurement.

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

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

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

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

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

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

- the carrying amount of the liability for remaining coverage; and

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- the FCF that relates to remaining coverage similar to what is needed under the GMM. This difference is recognized as a loss and shall increase the liability for remaining coverage.

I. Measurement of Reinsurance contracts held

I.1 Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance c ontract or the date that the first underlying insurance contract in the treaty is initially recognized. For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

I.2. Reinsurance contracts held measured under the PAA

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

I.3 Reinsurance contracts held measured under the General Model

The Company do hold reinsurance contracts on individual life qualified to be measured under the general measurement model as some of the businesess here are for a coverage period exceeding one calendar year

J. Modification and Derecognition

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

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

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

If the contract modification does not meet any of the conditions, the company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the company adjusts insurance revenue prospectively from the time of the contract modification.The compnay derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.
- When the Group derecognizes an insurance contract from within a group of contracts, it:
- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment

When the Group transfers an insurance contract to a third party and that results in derecognition, the company adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilmentcash flows and the premium charged by the third party for the transfer. When the company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one.

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

K. Presentation

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

The company disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The company has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the company's insurance liabilities.The company includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related portfolios of insurance contracts issued.

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

K.1 Insurance Revenue

For the General Model, The company's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the company adjusted for financing effect (the time value of money) and excluding any investment components).

As the company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration the company expects to be entitled to in exchange for those services. For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

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- Amounts allocated to the loss component.
- Repayments of investment components.
- Amounts that relate to transaction-based taxes collected on behalf of third parties.
- Insurance acquisition expenses.
- Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
- Changes that relate to future service that adjust the CSM.
- Amounts allocated to the loss component.
- The amount of CSM for the services provided in the period.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

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

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

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

K.2 Insurance service expenses

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

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

K.3 Income or expenses from reinsurance contracts held.

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

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

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

The company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery

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of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

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

K.5 Insurance finance income and expenses

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

K.6 The use of OCI presentation for insurance finance income and expenses

The company has an accounting policy choice to present all the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses,the company examines the assets held for that portfolio and how they are accounted for.Currently the company present all the period's insurance finance income or expenses in the profit or loss. the company may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether the company holds the underlying items or no longer holds the underlying items. When such change occurs, the company includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change. Comparatives are not restated.

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

L. Contracts existing at transition date

On transition date, 1 January 2022, the company:

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

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

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

Summary of Material Accounting Policies

1. Full Retrospective approach

On transition to IFRS 17, the company applied the full retrospective approach unless impracticable to do so. The company has applied the full retrospective approach on transition to all short-term contracts (group life,health and non-life business) in force at the transition date.

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

2. Fair Value approach

The company has applied the fair value approach on transition for individual life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. the company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the company of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement. the company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

The table below summarises types of contract issued, the breakdown of the portfolios, measurement & transition approach

NSIA business	Products	Type of contracts	Measurement	Transition
General Business	Motor	Short term Contracts	Premium Allocation	Full retrospective
	Fire	Short term Contracts	Premium Allocation	Full retrospective
	Bond	Short term Contracts	Premium Allocation	Full retrospective
	General Accident	Short term Contracts	Premium Allocation	Full retrospective
	Marine	Short term Contracts	Premium Allocation	Full retrospective
	Engineering	Short term Contracts	Premium Allocation	Full retrospective
	Oil & Energy	Short term Contracts	Premium Allocation	Full retrospective
	Agricultural	Short term Contracts	Premium Allocation	Full retrospective
LIFE Business	Group Life	Short term Contracts	Premium Allocation	Full retrospective
	Health	Short term Contracts	Premium Allocation	Full retrospective
	Individual life	Longterm Contracts	General Measurement	Fair Value/Full Retro*

*For group of contracts underwritten in 2020 and prior, the fair value transition method will be applied. For group of contracts underwritten from 2021 onwards, full retrospective approach will be applied.

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p 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 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 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.

q 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.

r 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

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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.

s 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

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based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

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.

t 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

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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 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.

u 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 Company's right to receive payment is established.

Summary of Material Accounting Policies

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 and foreign currency translation gain. Income is recognized when payment is received.

v 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.

w 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 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.

Summary of Material Accounting Policies

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.

x 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.

y 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 2023

In thousands of Naira	Notes	2023	2022 restated
Insurance Revenue	6	19,824,893	16,812,439
Insurance Service Expenses	8	(13,625,287)	(11,760,747)
Net Expenses from reinsurance contracts held	9	(3,311,876)	(3,091,457)
Insurance Service result		**2,887,730**	**1,960,235**
Profit on deposit administration	7	5,900	26,409
Net Investment income	10	2,051,742	1,494,101
Other income	11	3,008,224	844,258
Fair value (loss)/ gain on investment property	12	(11,588)	730
Credit loss (expense)/reversal on financial assets	14	(5,583)	67,934
Total investment & Other income		**5,048,695**	**2,433,432**
Net finance expenses from insurance contract issued	13A	(589,967)	(381,742)
Net Finance Income from reinsurance contract held	13B	162,978	171,923
Net insurance financial result		**(426,989)**	**(209,819)**
Other operating expenses	15	(4,295,502)	(3,460,272)
Profit before income tax		**3,213,934**	**723,576**
Income tax expense	32.1	(118,571)	(105,068)
Profit after income tax		**3,095,363**	**618,508**
Other comprehensive income			
Items within OCI that may be reclassified to the profit or loss:		-	-
Items within OCI that will not be reclassified to the profit or loss:			
Property and equipment revaluation gains (net of tax)	34.3	139,551	27,036
Net fair value gain on equity instrument at FVOCI(net of tax)	18(b)i	148,468	50,364
Total other comprehensive income net of tax		**288,019**	**77,400**
Total comprehensive income for the year		**3,383,382**	**695,908**
Earnings per share			
Basic and diluted earnings per share (kobo)	16	17	3

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

Statement of Financial Position

as at 31 December 2023

In thousands of Naira	Notes	31 December 2023	31 December 2022 *restated	1 January 2022 *restated
Assets				
Cash and cash equivalents	17	2,283,768	2,080,662	2,661,134
Financial assets	18	23,196,174	16,341,734	14,096,359
Trade Receivable	19	711,271	339,536	287,982
Reinsurance contract assets	20	4,837,380	4,391,548	2,985,327
Other receivables and prepayments	21	326,989	178,520	234,175
Investment property	22	248,202	247,030	246,300
Intangible assets	24	10	4,410	8,821
Property and equipment	25	3,838,641	3,483,206	3,573,690
Statutory deposits	26	900,400	900,400	900,400
Total assets		**36,342,835**	**27,967,046**	**24,994,188**
Liabilities				
Investment contract liabilities	27	101,182	155,113	226,696
Insurance contract liabilities	28	13,652,251	9,859,489	7,814,702
Trade Payable	29	2,191,644	1,002,757	1,262,948
Other payables and accruals	30	2,249,068	1,662,590	1,094,508
Deposit for shares	31	-	226,344	226,344
Deferred tax liabilities	23	632,608	601,764	593,091
Current tax liabilities	32.2	165,375	95,665	108,483
Total liabilities		**18,992,128**	**13,603,722**	**11,326,772**
Equity				
Share capital	33.1	9,000,000	9,000,000	9,000,000
Statutory contingency reserve	33.2	3,314,726	2,749,762	2,360,045
Asset revaluation reserve	33.3	1,966,665	1,827,114	1,800,078
Fair value reserve	33.4	272,750	124,282	73,918
Retained earnings	33.5	2,796,566	662,166	433,375
Total equity		**17,350,707**	**14,363,324**	**13,667,416**
Total liabilities and equity		**36,342,835**	**27,967,046**	**24,994,188**

These financial statements were approved by the Board of Directors on 25th June 2024 and signed on its behalf by:

Dr Adesegun AKIN-OLUGBADE, OON
Chairman
FRC/2021/003/00000024455

Moruf APAMPA
Managing Director/CEO
FRC/2017/CIIN/00000016004

Rasheed BELLO
Acting Chief Financial Officer
FRC/2014/PRO/ICAN/001/00000008177

The accompanying material 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 2023

In thousands of Naira	Share capital	Share premium	Statutory contingency reserve	Asset revaluation reserve	Fair value reserve	Employee benefit actuarial surplus	Retained earnings	Total
As at 1 January 2022	9,000,000	-	2,360,045	1,800,078	73,918	-	406,260	13,640,301
IFRS 17 transition adjustment (see note 33.5)	-	-	-	-	-		27,115	27,115
Restated balance as at 1st January,2022	9,000,000	-	2,360,045	1,800,078	73,918	-	433,375	13,667,416
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	618,508	618,508
Other comprehensive income								
Fair value changes of FVOCI equity instruments (see note 33.4)	-	-	-	-	50,364	-	-	50,364
Property and equipment revaluation gains(net of tax) (see note 33.3)				27,036				27,036
Total comprehensive income for the year	**-**	**-**	**-**	**27,036**	**50,364**	**-**	**618,508**	**695,908**
Transfer between reserves	-	-	389,717	-	-	-	(389,717)	-
Total contribution by and distribution to equity holders	**-**	**-**	**389,717**	**-**	**-**	**-**	**(389,717)**	**-**
Restated balance as at 31 December 2022	**9,000,000**	**-**	**2,749,762**	**1,827,114**	**124,282**	**-**	**662,166**	**14,363,324**
For the year ended 31 December 2023								
As at 1 January 2023	**9,000,000**	**-**	**2,749,762**	**1,827,114**	**124,282**	**-**	**662,166**	**14,363,324**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	3,095,363	3,095,363
Other comprehensive income								
Fair value changes of FVOCI equity instruments (see note 33.4)	-	-	-	-	148,468	-	-	148,468
Property and equipment revaluation gains(net of tax) (see note 33.3)				139,551				139,551
Total comprehensive income for the year	**-**	**-**	**-**	**139,551**	**148,468**	**-**	**3,095,363**	**3,383,382**
Transfer between reserves	-	-	564,964	-	-	-	(564,964)	-
Dividends paid to ordinary equity shareholders during the year	-	-	-	-	-	-	(395,999)	(395,999)
Total contribution by and distribution to equity holders	**-**	**-**	**564,964**	**-**	**-**	**-**	**(960,963)**	**(395,999)**
As at 31 December 2023	**9,000,000**	**-**	**3,314,726**	**1,966,665**	**272,750**	**-**	**2,796,566**	**17,350,707**

The accompanying material 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 2023

In thousands of Naira	Notes	2023	2022 restated
Operating activities:			
Insurance premium received	40.1	22,306,307	17,959,649
Reinsurance premium paid	41.2	(7,319,119)	(8,328,149)
Prepaid minimum and deposit reinsurance at year end	21(a)(ii)	(363,241)	-
Acquisition cashflow received	20.1	1,057,913	1,166,627
Claims and other insurance service expenses paid	28	(7,798,096)	(7,771,948)
Deposit received from deposit admin	41.3	126,042	112,615
Withdrawal claims from deposit admin	41.3	(187,199)	(186,493)
Amounts received from reinsurers relating to incurred claims	20.1	736,385	218,711
Insurance acquisition cash flows	28	(4,843,043)	(3,496,022)
Direct bank deposit	30(b)	968,805	828,470
Cash paid to employees, intermediaries and other suppliers	41.4	(1,340,784)	(1,069,919)
Other income received	41.5	6,816	175,353
Net (outflow)/inflow due from co-insurers on claims paid	42.5	(384,068)	1,018
		2,966,718	(390,087)
Tax paid during the year	32	(50,020)	(117,814)
Net cash flows from/(used in) operating activities		**2,916,698**	**(507,901)**
Investing activities:			
Interest income received	42	240,801	194,271
Investment property purchases	22	(12,760)	-
Dividend received	42.2	10,519	4,045
Proceeds from disposal of property and equipment	42.3	4,390	358,421
Purchase of financial assets	42.4(a)	(3,705,567)	(3,093,867)
Proceeds from sale/redemption of financial assets	42.4(b)	1,379,044	2,744,136
Purchase of property and equipment	25	(451,047)	(341,647)
Net cash flows used in investing activities		**(2,534,620)**	**(134,641)**
Financing activities:			
Deposits for shares (refunded)/received	42.8	(226,344)	-
Dividend paid	42.7	(395,999)	-
Net cash flows used in financing activities		**(622,343)**	**-**
Net decrease in cash and cash equivalents		(240,265)	(642,542)
Effect of exchange rate differences on cash and cash equivalent	42.6	450,173	59,245
Cash and cash equivalents at beginning of year		2,088,163	2,671,460
Cash and cash equivalents at end of year	**17(a)**	**2,298,071**	**2,088,163**

The accompanying material 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 2023

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 Key sources of estimation uncertainty

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

Insurance contract liabilities and reinsurance contract assets.

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

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

Further explanations of the estimations mentioned above have been made in the statement of material accounting policies. Every area, including NSIA's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below.

At 31 December 2023,NSIA's total carrying amount of:

- Insurance contracts issued that are liabilities was ₦13,652,250,881 (2022: ₦9,859,488,850)
- Reinsurance contracts held that are assets was ₦4,837,379,700 (2022: ₦4,391,548,400)

Insurance and reinsurance contracts

The company applies GMM for its retail life businesses (Individual Life) while it applies PAA on the non-life and group life and health policies. For the GMM approach, The company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the Contractual Service Margin (CSM) representing the unearned profit in the contracts relating to services that will be provided under the contracts. Explanations on the estimations and level of judgements involved in determining some of the components have been made under the accounting policies relating to IFRS 17 implementation. See material accounting policies.

The company applies the PAA to the measurement of group life,health and non-life insurance contracts with a coverage period of each contract in the group of one year or less. When measuring liabilities for remaining coverage, the PAA is broadly similar to the previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. Explanations on the estimations and level of judgements involved in determining some of the components have been made under the accounting

Notes to the financial statements

policies relating to IFRS 17 implementation. material accounting policies

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

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

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

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

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.

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 ₦632.7 million (2022: ₦601.7 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 instruments 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

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.

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 2023 using the comparative approach method of valuation to arrive at the open market value as at 31 December 2023. 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."

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

- 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

Compliance with statutory solvency margin requirement

The Company at the end of the 31 December 2023 financial year maintained total admissible assets of ₦33.76Billion (31 Dec 2022: ₦24.9Billion) which exceeded the total liabilities of ₦18.36Billion (31 Dec 2022: ₦13.0Billion) by ₦15.40billion (31 Dec 2022: ₦11.9billion). 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 308% (2022: 239%) of the minimum requirement which is the higher of 15% of net premium (₦4.19 Billion) (2022: ₦3.7 Billion) or the minimum capital base of ₦5billion 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.

Notes to the financial statements

The Solvency Margin for the Company as at 31 December 2023 is as follows:

In thousands of Naira	Total	Admissible	Inadmissible
Assets			
Cash and cash equivalents	2,283,768	2,283,768	-
Financial assets	23,196,174	23,196,174	-
Trade Receivable	711,271	155,588	555,683
Reinsurance contract assets	4,837,380	4,837,380	-
Other receivables and prepayments	326,989	-	326,989
Investment property	248,202	-	248,202
Intangible assets	10	10	-
Property and equipment	3,838,641	2,385,496	1,453,144
Statutory deposits	900,400	900,400	-
Total assets (A)	**36,342,835**	**33,758,816**	**2,584,018**
Liabilities			
Investment contract liabilities	101,182	101,182	-
Insurance contract liabilities	13,652,251	13,652,251	-
Trade Payable	2,191,644	2,191,644	-
Other payables and accruals	2,249,068	2,249,068	-
Current tax liabilities	165,375	165,375	-
Deferred tax liabilities	632,608	-	632,608
Total liabilities (B)	**18,992,128**	**18,359,520**	**632,608**
Solvency Margin (A-B)= C		**15,399,296**	
Check To:			
Minimum to be maintained:			
The higher of 15% of net premium	4,191,841		
and			
Minimum paid-up capital (D)	5,000,000	(5,000,000)	
Solvency Margin (Surplus/Deficit) (C- D)		**10,399,296**	
Solvency level (%)		**308%**	

Notes to the financial statements

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

In thousands of Naira	Total	Admissible	Inadmissible
Assets			
Cash and cash equivalents	2,080,662	2,080,662	-
Financial assets	16,341,734	16,341,734	-
Trade Receivable	339,536	167,921	171,615
Reinsurance contract assets	4,391,548	3,334,646	
Other receivables and prepayments	178,520	-	178,520
Investment property	247,030	-	247,030
Intangible assets	4,410	4,410	-
Property and equipment	3,483,206	2,142,682	1,340,524
Statutory deposits	900,400	900,400	-
Total assets (A)	**27,967,046**	**24,972,456**	**1,937,690**
Liabilities			
Investment contract liabilities	155,113	155,113	-
Insurance contract liabilities	9,859,489	9,859,489	-
Trade Payable	1,002,757	1,002,757	-
Other payables and accruals	1,662,590	1,662,590	-
Deferred tax liabilities	601,764	-	601,764
Current tax liabilities	95,665	95,665	-
Deposit for shares	226,344	226,344	-
Total Liabilities (B)	**13,603,722**	**13,001,959**	**601,764**
Solvency Margin (A-B)= C		**11,970,497**	
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)		**6,970,497**	
Solvency level (%)		**239%**	

Notes to the financial statements

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.

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, 2023	**Life insurance ₦'000**	**Non- life insurance ₦'000**	**Total ₦'000**
Total shareholders' funds per financial statements	5,618,391	11,732,317	17,350,707
Available capital resources	5,618,391	11,732,317	17,350,707

Available capital resources at 31 December 2022	**Life insurance ₦'000**	**Non- life insurance ₦'000**	**Total ₦'000**
Total shareholders' funds per financial statements	5,238,488	9,124,836	14,363,324
Available capital resources	5,238,488	9,124,836	14,363,324

Notes to the financial statements

- Compliance with statutory minimum capital base requirement

The Company at the end of the 2023 financial year had shareholders' funds of ₦17.35billion (31 Dec 2022: ₦14.36billion) which was 347% (2022: 292%) of the statutory minimum capital base of ₦5billion 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;

As an Existing company,our capital requirement is as shown below;

In thousands of Naira	2023	2022
Share capital	9,000,000	9,000,000
Retained Earnings	2,796,566	662,166
Contigency reserve	3,314,726	2,749,762
Excess of Admissible assets over liabilities	15,111,292	12,411,928
Less the amout of own shares held (Treasury shares	-	-
	15,111,292	12,411,928
Subordinated laibilities subject to approval by the commission	-	-
Any other financial instruments as prescribed by the commission	-	-
	15,111,292	12,411,928

5.3 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

The table below hypothecates the total assets of the Company into assets that represents insurance funds, shareholders' funds and other funds such as investment contracts:

31 December 2023 In thousand of naira	Non Life Business			Life Business					
	Shareholders' fund	Insurance contract liabilities' fund	Others	Shareholders' fund	Insurance contract liabilities' fund	Investment contract liabilities' fund	Annuity	Others	TOTAL
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
1. Properties:									
Real Estate	3,119,811	-	-	248,202	-	-	-	-	3,368,013
Equipment	136,527	-	-	-	-	-	-	-	136,527
Motor Vehicles	518,987	-	-	-	-	-	-	-	518,987
Furniture	23,922	-	-	-	-	-	-	-	23,922
Others (a)	39,392		-	-	-	-	-	-	39,393
	3,838,639	**-**	**-**	**248,202**	**-**	**-**	**-**	**-**	**4,086,842**
2. Investments:									
Loans to Policyholders	-	-	-		3,309	-	-	-	3,309
Statutory Deposit	500,400	-	-	400,000	-	-	-	-	900,400
Financial assets:									
- Amortised cost	12,124,216	5,278,206		-	5,163,365	142,100	-	-	22,707,887
- FVOCI	386,052	-	-	98,925	-	-	-	-	484,977
Cash and cash equivalents	1,330,872		-	952,896	-	-	-	-	2,283,768
	14,341,540	**5,278,206**	**-**	**1,451,821**	**5,166,674**	**142,100**	**-**	**-**	**26,380,341**
3. Reinsurance and Other assets									
Reinsurance assets	-	3,270,002	-	-	1,567,378	-	-	-	4,837,380
Other assets	378,719	-	-	659,553	-	-	-	-	1,038,271
	378,719	3,270,002	-	659,553	1,567,378	-	-	-	5,875,651
Total	**18,558,898**	**8,548,208**	**-**	**2,359,576**	**6,734,052**	**142,100**	**-**	**-**	**36,342,835**
Funds for the Asset	-	7,363,279	-	-	6,288,974	101,182	-	-	13,753,435
Surplus/(Deficit)	**18,558,898**	**1,184,929**	**-**	**2,359,576**	**445,078**	**40,918**	**-**	**-**	**22,589,400**

Notes to the financial statements

31 December 2022 In thousand of naira	Non Life Business Shareholders' fund ₦'000	Non Life Business Insurance contract liabilities' fund ₦'000	Non Life Business Others ₦'000	Life Business Shareholders' fund ₦'000	Life Business Insurance contract liabilities' fund ₦'000	Life Business Investment contract liabilities' fund ₦'000	Annuity ₦'000	Others ₦'000	TOTAL ₦'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:									
- Held to Maturity	-	-		-	-	-	-	-	-
- Amortised cost	8,539,453	3,709,250		880,440	2,568,472	308,513	-	-	16,006,128
- FVOCI	230,807	-	-	89,204	-	-	-	-	320,011
Cash and cash equivalents	(4,395,633)		-	6,476,295	-	-	-	-	2,080,662
	4,875,027	**3,709,250**	**-**	**7,845,939**	**2,584,067**	**308,513**	**-**	**-**	**19,322,796**
3. Reinsurance and Other assets									
Reinsurance assets	-	3,067,534	-	-	1,324,014	-	-	-	4,391,548
Other assets	291,537	-	-	230,927	-	-	-	-	522,464
	291,537	3,067,534	-	230,927	1,324,014	-	-	-	4,914,012
Total	**8,649,771**	**6,776,784**	**-**	**8,323,896**	**3,908,081**	**308,513**	**-**	**-**	**27,967,045**
Funds for the Asset	-	6,227,033	-	-	3,632,456	155,113	-	-	10,014,602
Surplus/(Deficit)	**8,649,771**	**549,751**	**-**	**8,323,896**	**275,625**	**153,400**	**-**	**-**	**17,952,443**

Notes to the financial statements

Asset and Liability Management

31 December,2023 in thousands of Nigerian Naira	Carrying amount	Insurance contract Non-life	Insurance contract Group Life	Investment Contract	Assets cover	Shareholders fund	31 Dec 2023 Total
Assets							
Cash and cash equivalents	2,283,768	-	-	-	-	2,283,768	2,283,768
Financial assets	23,196,174	5,278,206	5,166,674	142,100	10,586,980	12,609,194	23,196,174
Trade Receivable	711,271	-	-	-	-	711,271	711,271
Reinsurance contract assets	4,837,380	3,270,002	1,567,378	-	4,837,380	-	4,837,380
Other technical assets	-	-			-	-	-
Other receivables and prepayments	326,989	-	-	-	-	326,989	326,989
Investment property	248,202	-	-	-	-	248,202	248,202
Intangible assets	10	-	-	-	-	10	10
Property and equipment	3,838,641	-	-	-	-	3,838,641	3,838,641
Statutory deposits	900,400	-	-	-	-	900,400	900,400
Total assets	**36,342,835**	**8,548,208**	**6,734,052**	**142,100**	**15,424,360**	**20,918,475**	**36,342,835**
Liabilities							
Investment contract liabilities	101,182	-	-	101,182	101,183	-	101,182
Insurance contract liabilities	13,652,251	7,363,279	6,288,974	-	13,652,253	-	13,652,253
Trade Payable	2,191,643	-	-	-	-	2,191,643	2,191,643
Other payables and accruals	2,249,067	-	-	-	-	2,249,067	2,249,067
Deferred commission income	-	-	-	-	-	-	-
Deferred tax liabilities	632,608	-	-	-	-	632,608	632,608
Current tax liabilities	165,375	-	-	-	-	165,375	165,375
Total liabilities	**18,992,126**	**7,363,279**	**6,288,974**	**101,182**	**13,753,435**	**5,238,693**	**18,992,128**
GAP	17,350,709	1,184,929	445,078	40,918	1,670,925	15,679,781	17,350,707

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							
Cash and cash equivalents	2,080,662	-		-	-	2,080,662.00	2,080,662
Financial assets	16,341,734	3,709,250	2,584,067	308,513	6,601,830	9,739,904	16,341,734
Trade Receivable	339,536	-	-	-	-	339,536	339,536
Reinsurance contract assets	4,391,548	3,067,534	1,324,014	-	4,391,548	-	4,391,548
Other technical assets	-	-	-	-		-	-
Other receivables and prepayments	178,520	-	-	-	-	178,520	178,520
Investment property	247,030	-	-	-	-	247,030	247,030
Intangible assets	4,410	-	-	-	-	4,410	4,410
Property and equipment	3,483,206	-	-	-	-	3,483,206	3,483,206
Statutory deposits	900,400	-	-	-	-	900,400	900,400
Total assets	**27,967,046**	**6,776,784**	**3,908,081**	**308,513**	**10,993,378**	**16,973,668**	**27,967,046**
Liabilities							
Investment contract liabilities	155,113	-	-	155,113	155,113	-	155,113
Insurance contract liabilities	9,859,489	6,057,549	3,801,940	-	9,859,489	0.05	9,859,489
Trade Payable	1,002,757	-	-	-	-	1,002,757	1,002,757
Other payables and accruals	1,662,590	-	-	-	-	1,662,590	1,662,590
Deposit for shares	226,344	-	-	-	-	226,344	226,344
Deferred tax liabilities	601,764	-	-	-	-	601,764	601,764
Current tax liabilities	95,665					95,665	95,665
Total liabilities	**13,603,722**	**6,057,549**	**3,801,940**	**155,113**	**10,014,602**	**3,589,120**	**13,603,722**
GAP	**14,363,325**	**719,235**	**106,141**	**153,400**	**978,776**	**13,384,550**	**14,363,325**

Notes to the financial statements

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 ₦25,000,000 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.

Notes to the financial statements

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.

- 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:

	Mortality rates		Expenses		Expense inflation rate		Valuation interest rate	
Type of life contracts	2023	2022	2023	2022	2023	2022	2023	2022
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.

Notes to the financial statements

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.

Sensitivity of Life business liabilities to changes in long term valuation assumptions

31 December 2023	**Base**	**Interest rate**		**Expense**		**Expense inflation**		**Mortality**	
in thousands	**Base**	**1%**	**-1%**	**10%**	**-10%**	**2%**	**-2%**	**5%**	**-5%**
Individual life	1,034,210	10,342	(10,342)	103,421	(103,421)	20,684	(20,684)	51,710	(51,710)
Group life	1,640,229	16,402	(16,402)	164,023	(164,023)	32,805	(32,805)	82,011	(82,011)
Health	203,182	2,032	(2,032)	20,318	(20,318)	4,064	(4,064)	10,159	(10,159)
Total liability	**2,877,621**	**28,776**	**(28,776)**	**287,762**	**(287,762)**	**57,552**	**(57,552)**	**143,881**	**(143,881)**
% 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 2023	**Base**	**Interest rate**		**Expense**		**Expense inflation**		**Mortality**	
in thousands	**Base**	**1%**	**-1%**	**10%**	**-10%**	**2%**	**-2%**	**5%**	**-5%**
Individual life	666,604	6,666	(6,666)	66,660	(66,660)	13,332	(13,332)	33,330	(33,330)
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	**2,194,610**	**21,946**	**(21,946)**	**219,461**	**(219,461)**	**43,892**	**(43,892)**	**109,731**	**(109,731)**
% change in liability	0.0%	-99.0%	-101.0%	-90.0%	-110.0%	-98.0%	-102.0%	-95.0%	-105.0%

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.

Notes to the financial statements

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-23			31-Dec-22		
	Gross liabilities ₦'000	Reinsurance on liabilities ₦'000	Net liabilities ₦'000	Gross liabilities ₦'000	Reinsurance on liabilities ₦'000	Net liabilities ₦'000
Motor	287,983	58,267	229,716	442,864	193,909	248,955
Fire	1,102,296	550,299	551,997	749,318	416,004	333,314
Bond	23,881	8,920	14,961	12,317	5,799	6,518
General accident	1,027,395	814,850	212,545	852,795	834,120	18,675
Marine and aviation	830,094	119,444	710,650	565,867	66,899	498,968
Engineering	255,682	139,355	116,327	137,132	66,182	70,950
Oil and energy	676,578	297,748	378,830	591,405	310,964	280,441
Subtotal	**4,203,909**	**1,988,883**	**2,215,026**	**3,351,698**	**1,714,988**	**1,457,822**
Health insurance	203,182	166,627	36,555	114,350	80,403	33,947
Group life	1,640,229	491,401	1,148,828	1,413,656	388,622	1,025,034
Total	**6,047,320**	**2,646,911**	**3,400,409**	**4,879,704**	**2,173,042**	**2,516,803**

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.

Notes to the financial statements

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.

Sensitivity of Non-life business liabilities to changes in valuation assumptions

31 December 2023

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Discount Rate	(-1)% Discount Rate
General Accident	538,969	26,948	(26,948)	5,390	(5,390)
Engineering	130,316	6,516	(6,516)	1,303	(1,303)
Fire	539,510	26,976	(26,976)	5,395	(5,395)
Marine	260,414	13,021	(13,021)	2,604	(2,604)
Motor	133,555	6,678	(6,678)	1,336	(1,336)
Bond*	15,854	793	(793)	159	(159)
Oil & Gas*	333,892	16,695	(16,695)	3,339	(3,339)
IBNR	**1,952,510**	**97,625**	**(97,626)**	**19,525**	**(19,525)**
Gross OCR	2,251,399	112,570	(112,570)	22,514	(22,514)
Total	**4,203,909**	**210,194**	**(210,195)**	**42,039**	**(42,039)**
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 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**	**81,651**	**(81,651)**	**16,330**	**(16,330)**
Gross OCR	1,718,670	85,934	(85,934)	17,187	(17,187)
Total	**3,351,698**	**167,585**	**(167,585)**	**33,517**	**(33,517)**
Percentage Change		26%	53%	-99.20%	-100.80%

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

Notes to the financial statements

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

	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	2023 ₦'000	Total ₦'000
Estimate of ultimates:						
End of accident year	471,914	772,954	994,737	1,406,757	1,688,108	5,334,470
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	1,688,108	8,212,115
Current estimate of ultimate claims	1,318,679	1,008,930	1,662,727	3,380,024	3,827,853	11,198,213
Current outstanding claims reserve	43,059	76,496	149,093	293,572	453,102	1,015,322
Liability in Statement of Financial Position						1,970,776

Analysis of claims development – Reinsurance

	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	2023 ₦'000	Total ₦'000
Estimate of ultimates:						
End of accident year	413,179	531,732	751,976	751,976	902,371	3,351,233
1 year later	419,063	1,004,543	-	-	-	1,423,606
2 years later	335,137	-	-	-	-	335,137
3 years later	-	-	-	-	-	-
4 year later	-	-	-	-	-	-
Cumulative Recoveries	1,167,379	1,536,275	751,976	751,976	902,371	5,109,975
Current estimate of ultimate Recoveries	527,472	605,358	997,636	2,028,014	2,636,419	6,794,899
Current outstanding claims recoveries	30,141	53,547	104,365	205,500	317,172	710,726
Asset in Statement of Financial Position						974,198

Notes to the financial statements

Analysis of claims development – Net

	2018 ₦'000	2019 ₦'000	2020 ₦'000	2021 ₦'000	2022 ₦'000	Total ₦'000
Estimate of ultimates:						
End of accident year	58,741	241,222	242,761	654,781	785,738	1,983,242
1 year later	(188,309)	(594,731)	1,879,247	-	-	1,096,206
2 years later	(277,331)	141,581	-	-	-	(135,750)
3 years later	157,710	-	-	-	-	157,710
4 year later	736	-	-	-	-	736
Cumulative Net Payment	(248,453)	(211,929)	2,122,008	654,781	785,738	3,102,145
Current estimate of net ultimate claims	791,207	403,572	665,091	1,352,010	1,191,440	4,403,319
Current net outstanding claims reserve	12,918	22,949	44,728	88,072	135,931	304,597
Net Liability in Statement of Financial Position						996,578

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.

Notes to the financial statements

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.

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.

Notes to the financial statements

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.

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Financial instruments			
Cash and cash equivalents	*17*	2,283,609	2,080,553
Financial assets at amortised cost	*18*	22,711,197	16,021,723
Trade Receivables	*19*	711,271	339,536
Other receivables *	*21*	20,004	-
Total credit risk exposure		25,726,081	18,441,812

*Excluded from other receivables are prepaid expenses and wht

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

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Credit Loss Expenses/(Reversal)		
Credit loss expense on trade receivables (see note 19(c)(i))	-	5,005
Credit loss reversal on other receivables (see note 21(c))	(3,052)	(92,013)
Credit loss expense on financial assets at amortised cost (see note 18(a))	1,833	21,899
Credit loss expense/(Reversal) on cash and cash equivalent (see note 17(b))	6,802	(2,825)
	5,583	(67,934)

5.6.1 Concentration of credit risk by sector

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Banking and other financial sector	24,994,806	18,102,276
Insurance sector	711,271	339,536
	25,726,081	18,441,812

Notes to the financial statements

Analysis of financial assets by portfolio distribution

31 December 2023

	Notes	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Cash and cash equivalents		2,283,609	-	-	2,283,609
Financial assets at amortized cost		22,711,197	-	-	22,711,197
Trade receivables		-	711,271	-	711,271
Other receivables	21(b)	-	20,004	-	20,004
		24,994,806	731,275	-	25,726,081

31 December 2022

	Notes	Stage 1 ₦'000	Stage 2 ₦'000	Stage 3 ₦'000	Total ₦'000
Cash and cash equivalents		2,080,553	-	-	2,080,553
Financial assets at amortized cost		16,021,723	-	-	16,021,723
Trade receivables		-	339,536	-	339,536
Other receivables	21(b)	-	-	-	-
		18,102,276	339,536	-	18,441,812

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 instrument 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.

Notes to the financial statements

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,2023

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 2023 included the forecasted GDP average growth rate of 2.64% (premised on IMF Gross Domestic Product (GDP) forecast for Nigeria).

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 2022.

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 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	2,297,912	-	-	2,297,912	2,088,054	-	-	2,088,054
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	2,297,912	-	-	2,297,912	2,088,054	-	-	2,088,054
Expected credit loss	(14,303)	-	-	(14,303)	(7,501)	-	-	(7,501)
Total Net Amount	**2,283,609**	**-**	**-**	**2,283,609**	**2,080,553**	**-**	**-**	**2,080,553**

Cash & short-term deposits in banks

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

in thousands of Nigerian Naira	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	2,088,054	-	-	2,088,054	2,671,203	-	-	2,671,203
New assets originated or purchased	2,297,912	-	-	2,297,912	2,088,054	-	-	2,088,054
Assets derecognised or repaid (excluding write offs)	(2,088,054)	-	-	(2,088,054)	(2,671,203)	-	-	(2,671,203)
At the end of the year	**2,297,912**	**-**	**-**	**2,297,912**	**2,088,054**	**-**	**-**	**2,088,054**

in thousands of Nigerian Naira	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	7,501	-	-	7,501	10,326	-	-	10,326
Assets derecognised or repaid	(7,501)	-	-	(7,501)	(10,326)	-	-	(10,326)
New assets originated or purchased	14,303	-	-	14,303	7,501	-	-	7,501
Impairment loss	6,802	-	-	6,802	(2,825)	-	-	(2,825)
At the end of the year	**14,303**	**-**	**-**	**14,303**	**7,501**	**-**	**-**	**7,501**

Notes to the financial statements

Debt Instruments at amortised cost

in thousands of Nigerian Naira	31 December 2023 Stage 1	Stage 2	Stage 3	Total	31 December 2022 Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	22,749,662	-	-	22,749,662	16,058,355	-	-	16,058,355
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	22,749,662	-	-	22,749,662	16,058,355	-	-	16,058,355
Expected credit loss	(38,465)	-	-	(38,465)	(36,632)	-	-	(36,632)
Total Net Amount	**22,711,197**	**-**	**-**	**22,711,197**	**16,021,723**	**-**	**-**	**16,021,723**

Debt Instruments at amortised cost

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

in thousands of Nigerian Naira	31 December 2023 Stage 1	Stage 2	Stage 3	Total	31 December 2022 Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	16,058,355	-	-	16,058,355	13,832,307	-	-	13,832,307
New assets originated or purchased	8,069,918	-	-	8,069,918	4,945,408	-	-	4,945,408
Assets derecognised or repaid (excluding write offs)	(1,378,611)	-	-	(1,378,611)	(2,719,360)	-	-	(2,719,360)
At the end of the year	**22,749,662**	**-**	**-**	**22,749,662**	**16,058,355**	**-**	**-**	**16,058,355**

in thousands of Nigerian Naira	31 December 2023 Stage 1	Stage 2	Stage 3	Total	31 December 2022 Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	36,632	-	-	36,632	14,733	-	-	14,733
New assets originated or purchased	38,465	-	-	38,465	36,632	-	-	36,632
Assets derecognised or repaid	(36,632)	-	-	(36,632)	(14,733)	-	-	(14,733)
Impairment loss	1,833	-	-	1,833	21,899	-	-	21,899
At the end of the year	**38,465**	**-**	**-**	**38,465**	**36,632**	**-**	**-**	**36,632**

Notes to the financial statements

Other Financial Receivables

in thousands of Nigerian Naira	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	-		-	-	-		-	-
Non-investment grade (satisfactory)	195,788	-	-	195,788	178,836	-	-	178,836
Non-investment grade (unsatisfactory)	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	195,788	-	-	195,788	178,836	-	-	178,836
Expected credit loss	(175,784)	-	-	(175,784)	(178,836)		-	(178,836)
Total Net Amount	**20,004**	**-**	**-**	**20,004**	**(0)**	**-**	**-**	**(0)**

Measurement of ECL

in thousands of Nigerian Naira	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	178,836	-	-	178,836	270,849		-	270,849
New assets originated or purchased		-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(3,052)	-	-	(3,052)	(92,013)	-	-	(92,013)
Changes in ECL (note 14)	(3,052)	-	-	(3,052)	(92,013)	-	-	(92,013)
At the end of the year	**175,784**	**-**	**-**	**175,784**	**178,836**	**-**	**-**	**178,836**

Other financial receivables relates to other assets excluding prepaid expenses

Notes to the financial statements

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

31 December 2023	*Notes*	**Weighted avarage loss rate**	**Gross carrying amount ₦'000**	**Expected credit loss allowance ₦'000**
Cash and cash equivalents	*17*	**0.62%**	2,297,912	(14,303)
Financial assets at amortised cost	*18(a)*	**0.17%**	22,749,662	(38,465)
Trade Receivable	*19*	**9%**	784,405	(73,134)
Other receivables*	*21(c)*	**90%**	195,788	(175,784)
			26,027,767	(301,686)

31 December 2022	*Notes*	**Weighted avarage loss rate**	**Gross carrying amount ₦'000**	**Expected credit loss allowance ₦'000**
Cash and cash equivalents	*17*	**0%**	2,088,054	(7,501)
Financial assets at amortised cost	*18(a)*	**0.23%**	16,058,355	(36,632)
Trade Receivable	*19*	**18%**	412,670	(73,134)
Other receivables*	*21(c)*	**100%**	178,836	(178,836)
			18,737,915	(296,103)

Notes to the financial statements

* 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 2023	**6 month ECL**	**Life time ECL non credit impaired ₦'000**	**Life time ECL credit impaired ₦'000**	**Total**
Cash and cash equivalents	(14,303)	-	-	(14,303)
Financial assets at amortised cost	(38,465)	-	-	(38,465)
Trade Receivable	-	-	(73,134)	(73,134)
Other receivables*	-	-	(175,784)	(175,784)
	(52,768)	-	(248,918)	(301,686)

31 December 2022	**6 month ECL**	**Life time ECL non credit impaired ₦'000**	**Life time ECL credit impaired ₦'000**	**Total**
Cash and cash equivalents	(7,501)	-	-	(7,501)
Financial assets at amortised cost	(36,632)	-	-	(36,632)
Trade Receivable	-	-	(73,134)	(73,134)
Other receivables*	-	-	(178,836)	(178,836)
	(44,133)	-	(251,970)	(296,103)

Cash and Cash equivalents

The company held cash and cash equivalent of N2.28 billion as at 31 December 2023 (2022:N2.08b). 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. N6.802 million impairment allowance was recognised during the period, bringing the balance from N7.5 million in 2022 to N14.3 million being the closing balance at at 31 December, 2023

Notes to the financial statements

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

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

Notes to the financial statements

- 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.

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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 2023	Notes	Carrying amount ₦'000	Gross nominal value ₦'000	1-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	> 1 year ₦'000
Financial assets							
Cash and cash equivalents	17	2,283,768	2,283,768	2,283,768	-	-	-
Financial asset at amortised cost	18	22,711,197	23,738,557	-	-	2,163,994	21,574,564
Financial assets at fair value through OCI	18	484,977	484,977	-	-	-	484,977
Trade Receivable	19	711,271	711,271	711,271	-	-	-
Other receivables(excluding prepayment & wht receivable)	21	20,004	20,004	20,004	-	-	-
Statutory deposit	26	900,400	900,400	-	-	-	900,400
		27,111,617	28,138,977	3,015,043	-	2,163,994	22,959,940
Financial liabilities							
Trade Payable	29	2,191,644	2,191,644	2,191,644	-	-	-
Other payables*	30	685,258	685,258	685,258	-	-	-
		2,876,902	2,876,902	2,876,902	-	-	-
Net financial assets		**24,234,715**	**25,262,075**	**138,141**	**-**	**2,163,994**	**22,959,940**

31 December 2022	Notes	Carrying amount ₦'000	Gross nominal value ₦'000	1-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	1–5 years ₦'000
Financial assets							
Cash and cash equivalents	17	2,080,662	2,080,662	2,080,662	-	-	-
Financial asset at amortised cost	18	16,021,723	16,702,641	2,163,994	115,789	123,580	14,299,278
Financial assets at fair value through OCI	18	320,011	320,011	-	-	-	320,011
Trade Receivable	19	339,536	339,536	339,536	-	-	-
Other receivables(excluding prepayment & wht receivable)	21	-	-	-	-	-	-
Statutory deposit	26	900,400	900,400	-	-	-	900,400
		19,662,332	20,343,250	4,584,192	115,789	123,580	15,519,689
Financial liabilities							
Trade Payable	29	1,002,757	1,002,757	1,002,757	-	-	-
Other payables*	30	415,319	415,319	415,319	-	-	-
		1,418,076	1,418,076	1,418,076	-	-	-
Net financial assets		**18,244,256**	**18,925,174**	**3,166,116**	**115,789**	**123,580**	**15,519,689**

*This includes accrued directors allowance in note 30(b) and excludes naicom and ITF levies in notes 30(a)

Notes to the financial statements

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 2023

	USD ₦'000	EUR ₦'000	GBP ₦'000	Total ₦'000
Cash and bank balances	338,110	3,921	409	342,440
Eurobonds	5,201,881	-	-	5,201,881
Unquoted equities	54,369	-	-	54,369

31 December 2022

	USD ₦'000	EUR ₦'000	GBP ₦'000	Total ₦'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

The following significant exchange rates have been applied:

	Average rates		Year end spot rate	
	2023	2022	2023	2022
Cash and bank balances	761	411	951	411
Eurobonds	858	464	1073	464
Unquoted equities	989	534	1236	534

Notes to the financial statements

Foreign exchange sensitivity

Financial assets exposed to foreign exchange risk

31 December 2023	Increase by 5% ₦'000	Increase by 10% ₦'000	Decrease by 5% ₦'000	Decrease by 10% ₦'000
Financial assets	5,598,690	5,598,690	5,598,690	5,598,690
Effect on profit before tax	279,935	559,869	(279,935)	(559,869)
Taxation @ 30%	(83,980)	(167,961)	83,980	167,961
Effect on profit after tax	195,954	391,908	(195,954)	(391,908)

Financial assets exposed to foreign exchange risk

31 December 2022	Increase by 5% ₦'000	Increase by 10% ₦'000	Decrease by 5% ₦'000	Decrease by 10% ₦'000
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)

- ***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 2023, 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.

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Interest earning assets

31 December 2023	1-3 months ₦'000	3-6 months ₦'000	> 6 months ₦'000	Total ₦'000
Cash and bank balances	2,283,609	-	-	2,283,609
Statutory deposit	-	-	900,400	900,400
Total interest earning assets	**2,283,609**	**-**	**900,400**	**3,184,009**
Gap				
Increase by 100bp	22,836	-	9,004	31,840.09
Increase by 500bp	114,180	-	45,020	159,199
Decrease by 100bp	(22,836)	-	(9,004)	(31,840)
Decrease by 500bp	(114,180)	-	(45,020)	(159,200)

31 December 2022	1-3 months ₦'000	3-6 months ₦'000	> 6 months ₦'000	Total ₦'000
Cash and bank balances	2,080,553	-	-	2,080,553
Statutory deposit	-	-	900,400	900,400
Total interest earning assets	**2,080,553**	**-**	**900,400**	**2,980,953**
Gap				
Increase by 100bp	20,806	-	9,004	29,810
Increase by 500bp	104,028	-	45,020	149,047
Decrease by 100bp	(20,806)	-	(9,004)	(29,810)
Decrease by 500bp	(104,028)	-	(45,020)	(149,048)

Summary of sensitivity of investments to market prices

31 December 2023	as per mkt price ₦'000	at +10% of mkt price ₦'000	at -10% of mkt price ₦'000
Quoted equities			
Non-life	320,077	32,008	(32,008)
Life	39,130	3,913	(3,913)
Total	**359,207**	**35,921**	**(35,922)**

31 December 2022	as per mkt price ₦'000	at +10% of mkt price ₦'000	at -10% of mkt price ₦'000
Quoted equities			
Non-life	211,202	23,081	(23,081)
Life	25,820	8,920	(8,920)
Total	**237,022**	**32,001**	**(32,002)**

Notes to the financial statements

- ***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.
- 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.

Notes to the financial statements

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.

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.

Notes to the financial statements

(a) Financial assets carried at fair value

31 December 2023	**Carrying value ₦'000**	**Fair value ₦'000**	**Level 1 ₦'000**	**Level 2 ₦'000**	**Level 3 ₦'000**
All carried at FVTOCI					
Unlisted Equity	115,251	115,251	-	-	115,251
Listed Equity	369,726	369,726	369,726	-	-
Total financial assets	**484,977**	**484,977**	**369,726**	**-**	**115,251**

31 December 2022	**Carrying value ₦'000**	**Fair value ₦'000**	**Level 1 ₦'000**	**Level 2 ₦'000**	**Level 3 ₦'000**
All carried at FVTOCI					
Unlisted Equity	99,893	99,893	-	-	99,893
Listed Equity	220,118	220,118	220,118	-	-
Total financial assets	320,011	320,011	220,118	-	99,893

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 2023 and 2022 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

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 ₦'000
Balance as at 1 January 2022	87,096
Net change in fair value recognised in OCI (unrealised)	12,797
Balance as at 31 December 2022	99,893

	Unlisted Equity Securities ₦'000
Balance at 1 January 2023	99,893
Net change in fair value recognised in OCI (unrealised)	15,357
Balance as at 31 December 2023	115,251

(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 2023	Carrying value ₦'000	Fair value ₦'000	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
FGN bonds	22,707,888	22,480,809	-	22,480,809	-
Loans to policy holders	3,309	2,978	-	-	2,978
Total financial assets	**22,711,197**	**22,483,787**	**-**	**22,480,809**	**2,978**

31 December 2022	Carrying value ₦'000	Fair value ₦'000	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
FGN bonds	16,000,798	17,280,862	-	17,280,862	-
Staff loan	5,330	4,799	-	-	4,799
Loans to policy holders	15,595	14,815	-	-	14,815
Total financial assets	16,021,723	17,300,476	-	17,280,862	19,614

Notes to the financial statements

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.

Premium 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 premium receivable is a reasonable approximation of its fair value, which is receivable on demand.

Reinsurance contracts payable

The carrying amount of reinsurance 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.

6 Insurance Revenue

	31-Dec-2023				31-Dec-2022			
	₦'000				N'000			
	Contract measured under GMM	Contract measured under PAA		Total	Contract measured under GMM	Contract measured under PAA		Total
Long-term insurance contracts measured under General Model	**Ind.Life**	**Group life & Health**	**Non Life**	**Total**	**Ind.Life**	**Group life & Health**	**Non Life**	**Total**
Expected Claims Expenses incurred in the period	55,916	-	-	55,916	43,144	-	-	43,144
Expected Release of Risk adjustment	3,256	-	-	3,256	2,512	-	-	2,512
CSM Release to Profit and loss	388,592	-	-	388,592	300,458	-	-	300,458
Acquisition Costs Recovered from premium	51,256	-	-	51,256	38,925	-	-	38,925
	499,019	-	-	499,019	385,039	-	-	385,039
Short-term insurance contracts measured under Premium Allocation Approach	-	8,055,385	11,270,489	19,325,874	-	6,950,508	9,476,892	16,427,400
Insurance Revenue	499,019	8,055,385	11,270,489	19,824,893	385,039	6,950,508	9,476,892	16,812,439

Notes to the financial statements

7 Profit on deposit administration

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Income		
Interest income	13,126	28,704
	13,126	28,704
Expense		
Guaranteed interest (see note 27)	(7,226)	(2,295)
	(7,226)	(2,295)
Profit on deposit administration	5,900	26,409

8 Insurance Service Expenses

	31-Dec-2023 ₦'000				31-Dec-2022 N'000			
	Contract measured under GMM	Contract measured under PAA		Total	Contract measured under GMM	Contract measured under PAA		Total
	Ind.Life	Group life & Health	Non Life	Total	Ind.Life	Group life & Health	Non Life	Total
Incurred claims and expenses	89,206	3,784,181	3,892,732	7,766,119	130,909	3,280,078	5,056,527	8,467,514
Adjustments to liabilities for incurred claims	-	224,270	550,931	775,201	-	723,732	(719,866)	3,866
Losses and reversals of losses on onerous contracts	-	-	(5,374)	(5,374)	-	-	(10,416)	(10,416)
Amortisation of insurance acquisition cash flows	51,256	2,406,862	2,631,222	5,089,341	38,925	1,074,647	2,186,211	3,299,783
Total Insurance Service Expenses	**140,462**	**6,415,314**	**7,069,511**	**13,625,287**	**169,834**	**5,078,457**	**6,512,456**	**11,760,747**

9 Net Expenses from reinsurance contracts held

	31-Dec-2023 ₦'000				31-Dec-2022 N'000			
	Contract measured under GMM	Contract measured under PAA		Total	Contract measured under GMM	Contract measured under PAA		Total
	Ind.Life	Group life & Health	Non Life	Total	Ind.Life	Group life & Health	Non Life	Total
Allocation of reinsurance premiums	24,628	2,832,537	5,418,491	8,275,656	10,893	3,195,839	4,872,883	8,079,615
Recoveries on incurred claims and expenses	-	(2,119,381)	(1,786,486)	(3,905,867)	(4,412)	(2,018,382)	(1,844,865)	(3,867,659)
Changes in the loss recovery component	(2,222)	(159,151)	(896,540)	(1,057,913)	-	(246,107)	(874,392)	(1,120,499)
Net Expenses from reinsurance contracts held	22,406	554,005	2,735,465	3,311,876	6,481	931,350	2,153,626	3,091,457

Notes to the financial statements

10 Net Investment income

(a) Investment income:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Interest income using the effective interest method:		
Financial assets at amortised cost -interest income (Note 18 (c) (i))	1,813,115	1,314,446
Cash and cash equivalents - Interest income (Note 17)	190,237	151,445
	2,003,352	1,465,891
Other investment income		
Dividend income	10,519	4,045
Gain on financial assets disposal	433	10,043
Statutory deposit - Interest income	44,315	20,984
	55,267	35,072
	2,058,619	1,500,963

(b) Commissions and charges

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Commission and charges on investment activities	(6,877)	(6,862)
	2,051,742	1,494,101

11 Other income

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Net foreign exchange gain (see note 11(a)(ii) below)*		
Unrealized :		
Cash and cash Equivalent	222,099	14,259
Other financial assets	2,550,983	533,210
	2,773,082	547,469
Realized	228,075	44,987
	3,001,157	592,456
Interest on staff loans (Notional interest) (note 18(c))	251	3,884
Other sundry income (note 11(a)(i))	6,816	175,353
Profit on disposal of property and equipment	-	72,565
	3,008,224	844,258

*This relates to gain(loss) due volatility in exchange rates by restating all foreign denominated assets and liabilities using the closing exchange rate as at the date of reporting.

Notes to the financial statements

(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.i.e the coverage period has expired prior to provision of information with respect to the inflow.

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
(a)(ii) Breakdown of net foreign exchange gain		
Cash and cash equivalents	450,174	59,246
Financial assets - amortised cost	2,550,983	533,210
	3,001,157	592,456

12 Fair value (loss)/ gain on investment property

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Fair value (loss)/gain on investment property (see note 22)	(11,588)	730
	(11,588)	730

13a Net Finance expenses from insurance contract issued

	31-Dec-2023 ₦'000				31-Dec-2022 N'000			
	Ind.Life	Group life & Health	Non Life	Total	Ind.Life	Group life & Health	Non Life	Total
Interest accreted to insurance contracts	148,721	35,896	283,250	467,867	59,488	14,358	261,690	335,536
Effect of differences between current rates and locked-in rates when measuring changes in estimates	4,065	5,060	60,071	69,196	1,626	2,024	16,482	20,132
Effect of changes in interest rates and other financial assumption	37,180	6,334	9,390	52,904	7,436	1,267	17,371	26,074
Net Expenses from insurance contracts held	**189,966**	**47,290**	**352,711**	**589,967**	**68,550**	**17,649**	**295,543**	**381,742**

13b Net Finance Income from reinsurance contract held

	31-Dec-2023 ₦'000				31-Dec-2022 N'000			
	Ind.Life	Group life & Health	Non Life	Total	Ind.Life	Group life & Health	Non Life	Total
Interest accreted to reinsurance contracts	1,924	4,488	121,007	127,419	693	1,616	131,346	133,655
Effect of differences between current rates and locked-in rates when measuring changes in estimates	137	96	25,224	25,457	50	35	25,378	25,463
Effect of changes in interest rates and other financial assumption	3,877	2,714	3,511	10,102	1,396	977	10,432	12,805
Net Income from reinsurance contracts held	**5,938**	**7,298**	**149,742**	**162,978**	**2,139**	**2,628**	**167,156**	**171,923**

Notes to the financial statements

14 Credit loss expense /(reversal) on financial assets

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Credit loss expense/(reversal) on cash and cash equivalents (see note 17(b)	6,802	(2,825)
Credit loss expense on financial assets at amortised cost (see note 18(a))	1,833	21,899
Credit loss expense on trade receivables (see note 19(c)(i))	-	5,005
Credit loss reversal on other receivables (see note 21(c))	(3,052)	(92,013)
	5,583	(67,934)

15 Other Operating Expenses

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Personnel expenses (Note 15a)	1,843,084	1,576,379
Other management expenses (Note 15b)	2,452,418	1,883,893
	4,295,502	3,460,272

(a) Personnel expenses

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Salaries and wages	1,622,154	1,385,192
Medical	55,725	48,350
Staff training	81,584	62,091
Employer's Pension contribution	43,047	40,408
ITF & staff insurances	40,574	40,338
	1,843,084	1,576,379

Notes to the financial statements

(b) Other management expenses	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Depreciation (note 25)	246,248	176,314
Board and AGM expenses	100,067	335,355
NAICOM and other regulatory fees	258,593	180,173
Direct expenses*	372,649	116,493
Advertisement and publicity	214,184	148,647
Directors' emoluments - Note 38 (b)	100,067	97,440
Repairs and maintenance	128,003	131,514
Professional fees***	81,303	55,479
Marketing expenses	449,254	336,313
Electricity and diesel expenses	101,742	97,024
Auditor's remuneration*****	38,000	25,000
Rent and rates**	44,086	43,911
Subscription	101,239	36,785
Printing and stationery	27,177	17,198
Postage and Telephone	11,139	7,731
Transport and travel expenses	82,249	27,962
Fueling	55,920	15,626
Cleaning	19,561	17,406
Donations and charity expenses	5,325	4,712
Security	8,457	6,237
Amortization (note 24)	4,400	4,411
Filing fees	2,755	2,162
	2,452,418	1,883,893

** Direct expenses relate to expenses incurred in providing insurance services. This includes actuarial fees ,bank charges,stamp duties,group expenses etc.*

*** 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 2023.*

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-2023 ₦'000	31-Dec-2022 ₦'000
Profit attributable to equity holders (N'000)	3,095,363	618,508
Weighted average number of ordinary shares in issue ('000)	18,000,000	18,000,000
Basic and diluted earnings per share (kobo)	17	3

Notes to the financial statements

17 Cash and cash equivalents

Cash and cash equivalents comprise:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Cash in hand	159	109	257
Due from banks and other financial institutions (see notes 17(b) below) (net)	2,283,609	2,080,553	2,660,877
Treasury bills (with maturity of less than 91 days)	-	-	
Commercial Paper guaranteed by bank (see note (a) below)	-	-	
	2,283,768	2,080,662	2,661,134

(a) Amount represents the Company's investment in Nigerian Breweries Plc's commercial papers with an interest rate of 7.36%. It matured on 22 March 2016.

For cash flow purpose, cash and cash equivalents comprise:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Cash in hand	159	109	257
Current accounts	1,234,869	363,497	555,662
Short term placements	1,063,043	1,724,557	2,115,541
Cash and cash equivalents per statement of cash flows.	2,298,071	2,088,163	2,671,460
Allowance for expected credit loss on cash and cash equivalents (see note 17(b)	(14,303)	(7,501)	(10,326)
Cash and cash equivalents per statement of financial position	2,283,768	2,080,662	2,661,134

Short-term deposits are made up of various bank deposits and placement of different period ranging from one day and three months, depending on the immediate cash requirements of the Company.

Notes to the financial statements

(b) Due from banks and other financial institutions

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Current accounts	1,234,869	363,497	555,662
Short term placements	1,063,043	1,724,557	2,115,541
	2,297,912	2,088,054	2,671,203
Allowance for expected credit loss on cash and cash equivalents (see notes 17(b)&5.6)	(14,303)	(7,501)	(10,326)
	2,283,609	2,080,553	2,660,877

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Movement in impairment			
At 1 January	7,501	10,326	11,904
Credit loss charge/(reversal) during the year	6,802	(2,825)	(1,578)
At 31 December	14,303	7,501	10,326
Interest Received on cash and equivalent during the year	168,427	133,272	
Interest Accrued on cash and equivalent during the year	21,810	18,173	
Total Interest on cash and cash equivalent	190,237	151,445	

18 Financial assets

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Amortized cost (note 18(a))	22,711,197	16,021,723	13,832,307
Fair value through other comprehensive income (note 18(b))	484,977	320,011	264,051
	23,196,174	16,341,734	14,096,359

(a) Financial assets at amortised cost

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Long term deposit with financial institutions	-	-	127,855
Bonds	22,746,353	16,037,430	13,543,696
Staff loans	-	5,330	165,293
Loans to policy holders	3,309	15,595	10,196
	22,749,662	16,058,355	13,847,040
Allowance for expected credit loss on financial asset at amortised cost	(38,465)	(36,632)	(14,733)
	22,711,197	16,021,723	13,832,307

Notes to the financial statements

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	36,632	14,733	14,986
Credit loss charge/(reversal) during the year	1,833	21,899	(253)
At 31 December	38,465	36,632	14,733

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

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Unlisted equities	54,169	54,169	54,169
Listed equities	111,249	111,249	111,249
Fair value movement on Financial asset classified at FVOCI	319,559	154,593	98,633
	484,977	320,011	264,051

Movement in fair value	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	154,594	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	164,965	55,960	62,535
At 31 December	319,559	154,594	98,634

(b)i) Net fair value changes during the year(net of tax)

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Net fair value gain or loss on debt instruments at FVOCI	-	-	(28,556)
Net fair value gain on equity instrument at FVOCI	164,965	55,960	91,091
	164,965	55,960	62,535
Deferred tax	(16,497)	(5,596)	(6,253)
	148,468	50,364	56,281

Notes to the financial statements

(b)ii) Allowance for expected credit loss_debt instrument at FVOCI

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	-	-	1,900
Credit loss (reversal)during the year (note 14)	-	-	(1,900)
At 31 December	-	-	-

(c) The movement in financial assets may be summarized as follows:

	Amortized Cost ₦'000	FVOCI ₦'000	Total ₦'000
Balance as at 1 January 2022	13,832,307	264,051	14,096,358
Purchase/additions	3,093,866	-	3,093,866
Exchange gain (Note 11 (a))	533,210	-	533,210
Repayment and disposals (sale and redemption)	(2,734,091)	-	(2,734,091)
Interest income earned for the year (Note 10(a))	1,314,446	-	1,314,446
Interest income (Notional) on staff loan (note 11(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	**16,021,723**	**320,011**	**16,341,734**
Purchase/additions	3,705,567	-	3,705,568
Exchange gain (Note 11 (a))	2,550,983	-	2,550,983
Repayment and disposals (sale and redemption)	(1,378,611)	-	(1,378,611)
Interest income earned for the year (Note 10(a))	1,813,116	-	1,813,116
Interest income (Notional) on staff loan (note 11(a))	251	-	251
Fair value gain	-	164,966	164,966
Allowance for expected credit loss	(1,833)	-	(1,833)
At 31 December 2023	**22,711,197**	**484,977**	**23,196,174**

Notes to the financial statements

(c)(i) Movement in financial assets at amortised cost may be summarised as follows;

Assets measured at amortised cost	Bonds ₦'000	Long term deposit ₦'000	Staff loans ₦'000	Loans to policy holders ₦'000	Total ₦'000
Balance as 1 January 2022	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)	(163,845)	(2,346)	(2,734,093)
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	-	5,330	15,595	16,043,622
Allowance for expected credit loss	(21,899)		-	-	(21,899)
Balance as at 31 December 2022	**16,000,798**	**-**	**5,330**	**15,595**	**16,021,723**
Purchase/additions	3,703,346	-	-	2,221	3,705,567
Exchange gain	2,550,984	-	-	-	2,550,984
Repayment and disposals (sale and redemption)	(1,358,523)	-	(5,581)	(14,507)	(1,378,611)
Interest income earned for the year	1,813,116	-	-	-	1,813,116
Interest income (Notional) on staff loan	-	-	251	-	251
	22,709,721	-	-	3,309	22,713,030
Allowance for expected credit loss	(1,833)	-	-	-	(1,833)
Balance as at 31 December 2023	**22,707,888**	**-**	**-**	**3,309**	**22,711,197**

(c)(ii) Movement in financial assets at FVOCI may be summarised as follows;

FVOCI	Unlisted equities ₦'000	Treasury bills ₦'000	Listed equities ₦'000	Total ₦'000
Balance as 1 January 2022	87,096	-	176,955	264,051
Purchase/additions*	-	-	-	-
Repayment and disposals (sale and redemption)	-	-	-	-
Reclassification	-	-	-	-
Interest income earned for the year	-	-	-	-
Fair value gain	12,797	-	43,163	55,960
Reversal of fair value on matured financial assets	-	-	-	-
Balance as at 31 December 2022	**99,893**	**-**	**220,118**	**320,011**
Purchase/additions	-	-	-	-
Repayment and disposals (sale and redemption)	-	-	-	-
Reclassification	-	-	-	-
Interest income earned for the year	-	-	-	-
Fair value gain	15,358	-	149,608	164,966
Reversal of fair value on matured financial assets	-	-	-	-
Balance as at 31 December 2023	115,251	-	369,726	484,977

An impairment loss was recognized in profit or loss in respect of available for sale equities where there has been a significant and prolonged decline in the value of the instruments since the purchase date and/or as a result of the disappearance of an active market for the securities.

Notes to the financial statements

19 Trade Receivable

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Premium receivables (note 19(a))	155,588	167,921	110,343
Recoverables from coinsurers on claims paid from Non-life businesses (see note 19(b))	6,214	5,323	150,608
Recoverables from coinsurers on claims paid from Life businesses (note 19(c))	549,469	166,292	27,030
Recovery of claims paid on NNPC group life from coinsurers (note 19(d))	-	-	-
	711,271	339,536	287,982
Due within 12 months	711,271	339,536	287,982
Due after 12 months	-	-	-
Analysis of receivable due within 12 months:			
Within 30 days	674,034	302,299	253,322
Above 30 days	37,237	37,237	34,660
	711,271	339,536	287,982

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.

(a) Premium receivables

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Premium receivable from agents, brokers and intermediaries			
Due from insurance companies	52,056	20,016	-
Due from brokers	103,532	147,905	110,343
Total premium receivable	155,588	167,921	
	155,588	167,921	110,343
Movement in Premium receivables			
Opening Balance	167,921	110,343	118,488
Total Premium on all Insurance Contracts during the year	22,293,974	18,017,227	13,703,336
Premium Received during the year	(22,306,307)	(17,959,649)	(13,711,481)
Closing Balance	155,588	167,921	110,343

Notes to the financial statements

Age Analysis of premium receivables

		2023		2022	
S/N	**Age of Debt**	**No of Policies**	**Amount**	**No of Policies**	**Amount**
1	Within 14 Days	84	52,607	72	105,036
2	Within 15- 30 Days	32	16,885	26	10,311
3	Within 31 - 90 Days	74	86,095	63	52,574
4	Within 91- 180 Days	-		-	
5	Above 180 Days	-		-	
	Total	**190**	**155,588**	**161**	**167,921**

Amount written off during the year as uncollectible
Net movement during the year
At 31 December 2016
All premium receivables are designated as Trade receivables and their carrying values approximate fair value at the reporting date. A total amount of N155m (2022: N168m) was received after year end."

(b) Recoverables from coinsurers on claims from Non-life businesses

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Due from coinsurers	6,214	5,323	150,608
Allowance for impairment	-	-	
Allowance for impairment (see note 19 (b)(i) below)	-		
	6,214	5,323	150,608
Movement in impairment		45290	

Age Analysis of Recoverables from coinsurers on claims from Non-life businesses	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Due within 0-90 days	3,728	3,194	90,365
Due within 91-180 days	2,486	2,129	60,243
Due above 180 days	-	-	-
	6,214	5,323	150,608

(c) Recoverables from coinsurers on claims from Life businesses

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Due from coinsurers	622,603	239,426	95,159
Allowance for expected credit loss (see note 19 (c)(i) below)	(73,134)	(73,134)	(68,129)
	549,469	166,292	27,030

Notes to the financial statements

Age Analysis of Recoverables from coinsurers on claims from Life businesses	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Due within 0-90 days	71,440	35,720	14,200
Due within 91-180 days	64,760	32,380	12,830
Due above 180 days	486,403	171,326	68,129
	622,603	239,426	95,159

(c)(i) Movements on the Allowance for expected credit loss of recoverables from coinsurers on claims from life businesses are as follows:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	73,134	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	73,134	68,129

20 Reinsurance contract assets

Reinsurance contract held	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Total Closing Asset	4,837,380	4,391,548	2,985,327
Total Closing Liability	-	-	-
Net Closing Balance	**4,837,380**	**4,391,548**	**2,985,327**

Notes to the financial statements

As further summarised below

	2023			
	Non-life(PAA) ₦'000	Grouplife &Health(PAA) ₦'000	Ind.Life (GMM) ₦'000	Total ₦'000
Assets for Incurred claims (AIC)				
Est. of present value of future cashflows	2,281,646	948,458	2700	3,232,804
Risk adj. for non financial risk	255,941	23,274	-	279,215
	2,537,587	971,732	2,700	3,512,019
Assets for Remaining coverage (ARC)				-
Excluding loss recovery component	732,413	556,216	36732	1,325,361
Loss recovery component	-		-	-
	732,413	556,216	36,732	1,325,361
	3,270,000	1,527,948	39,432	4,837,380

	2022			
	Non-life(PAA) ₦'000	Grouplife &Health(PAA) ₦'000	Ind.Life (GMM) ₦'000	Total ₦'000
Assets for Incurred claims (AIC)				
Est. of present value of future cashflows	2,082,725	669,316	2,700	2,754,741
Risk adj. for non financial risk	204,224	17,854	-	222,078
	2,286,949	687,170	2,700	2,976,819
Assets for Remaining coverage (ARC)				-
Excluding loss recovery component	764,538	614,471	35,720	1,414,729
Loss recovery component	-		-	-
	764,538	614,471	35,720	1,414,729
	3,051,487	1,301,641	38,420	4,391,548

	2021			
	Non-life(PAA) ₦'000	Grouplife &Health(PAA) ₦'000	Ind.Life (GMM) ₦'000	Total ₦'000
Assets for Incurred claims (AIC)				
Est. of present value of future cashflows	1,107,177	470,222	-	1,577,399
Risk adj. for non financial risk	205,474	25,862	-	231,336
	1,312,651	496,084	-	1,808,735
Assets for Remaining coverage (ARC)				-
Excluding loss recovery component	631,761	538,216	6,615	1,176,592
Loss recovery component	-		-	-
	631,761	538,216	6,615	1,176,592
	1,944,412	1,034,300	6,615	2,985,327

Notes to the financial statements

Disclosures on reinsurance contract held

The roll-forward of the asset for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table below:

20.1 Reinsurance Contracts GMM&PAA

	31-Dec-23					31-Dec-22				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance			Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		
In thousands of Naira	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total
Reinsurance contract assets as at 1 January	1,414,729	-	2,754,741	222,078	4,391,548	1,176,592	-	1,577,399	231,336	2,985,327
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Net Opening Balance	**1,414,729**	**-**	**2,754,741**	**222,078**	**4,391,548**	**1,176,592**	**-**	**1,577,399**	**231,336**	**2,985,327**
Changes in the statement of profit or loss										
Allocation of reinsurance premiums	(8,275,656)	-	-	-	(8,275,656)	(8,079,615)	-	-	-	(8,079,615)
Amounts recovered from reinsurers						-	-	-	-	-
Recoveries on incurred claims and expenses	-	-	3,848,730	57,137	3,905,867	-	-	3,876,917	(9,258)	3,867,659
Changes in the loss recovery component	1,057,914	-	-	-	1,057,914	1,120,499	-	-	-	1,120,499
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	**(7,217,743)**	**-**	**3,848,730**	**57,137**	**(3,311,876)**	**(6,959,116)**	**-**	**3,876,917**	**(9,258)**	**(3,091,457)**
Finance income from reinsurance contracts recognised in profit or loss	-	-	162,978	-	162,978	-	-	171,923	-	171,923
Total changes in the statement of profit or loss	**(7,217,743)**	**-**	**4,011,708**	**57,137**	**(3,148,898)**	**(6,959,116)**	**-**	**4,048,840**	**(9,258)**	**(2,919,534)**
Cash flows										
Premiums paid	6,545,903	-	-	-	6,545,903	6,250,076	-	-	-	6,250,076
Commission income received	(1,057,913)	-	-	-	(1,057,913)	(1,166,627)	-	-	-	(1,166,627)
Amounts received from reinsurers relating to incurred claims	-	-	(736,385)	-	(736,385)	-	-	(218,711)	-	(218,711)
Total cash flows	**5,487,990**	**-**	**(736,385)**	**-**	**4,751,605**	**5,083,449**	**-**	**(218,711)**	**-**	**4,864,738**
Non-cash flow items										
Reinsurance Premiums Payable	1,640,384	-	-	-	1,640,384	2,113,804	-	-	-	2,113,804
Recoverable on Paid Claims	-	-	(2,797,260)	-	(2,797,260)	-	-	(2,652,787)	-	(2,652,787)
Total Non-Cash flow	**1,640,384**	**-**	**(2,797,260)**	**-**	**(1,156,876)**	**2,113,804**	**-**	**(2,652,787)**	**-**	**(538,983)**
Net Closing Assets	**1,325,361**	**-**	**3,232,804**	**279,215**	**4,837,380**	**1,414,729**	**-**	**2,754,741**	**222,078**	**4,391,548**
Reinsurance contract assets as at 31 December	1,325,361	-	3,232,804	279,215	4,837,380	1,414,729	-	2,754,741	222,078	4,391,548
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
Net Closing Balance	**1,325,361**	**-**	**3,232,804**	**279,215**	**4,837,380**	**1,414,729**	**-**	**2,754,741**	**222,078**	**4,391,548**

Notes to the financial statements

20.2 Reinsurance Contracts Measured Under GMM (Ind.Life)

In thousands of Naira	31-Dec-23 Assets for Remaining coverage component: Excluding loss recovery component	31-Dec-23 Assets for Remaining coverage component: Loss recovery component	31-Dec-23 Assets for incurred claims recoverable from reinsurance: Est. of present value of future cashflows	31-Dec-23 Assets for incurred claims recoverable from reinsurance: Risk adj. for non financial risk	31-Dec-23 Total	31-Dec-22 Assets for Remaining coverage component: Excluding loss recovery component	31-Dec-22 Assets for Remaining coverage component: Loss recovery component	31-Dec-22 Assets for incurred claims recoverable from reinsurance: Est. of present value of future cashflows	31-Dec-22 Assets for incurred claims recoverable from reinsurance: Risk adj. for non financial risk	31-Dec-22 Total
Reinsurance contract assets as at 1 January	35,720	-	2,700	-	38,420	6,615	-	-	-	6,615
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Net Opening Balance	**35,720**	**-**	**2,700**	**-**	**38,420**	**6,615**	**-**	**-**	**-**	**6,615**
Changes in the statement of profit or loss										
Allocation of reinsurance premiums	(24,628)	-	-	-	(24,628)	(10,893)	-	-	-	(10,893)
Amounts recovered from reinsurers										
Recoveries on incurred claims and expenses	-	-	-	-	-			4,412		4,412
Changes in the loss recovery component	2,222	-	-	-	2,222	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	**(22,406)**	**-**	**-**	**-**	**(22,406)**	**(10,893)**	**-**	**4,412**	**-**	**(6,481)**
Finance income from reinsurance contracts recognised in profit or loss	-	-	5,938	-	5,938	-	-	2,139	-	2,139
Total changes in the statement of profit or loss	**(22,406)**	**-**	**5,938**	**-**	**(16,468)**	**(10,893)**	**-**	**6,551**	**-**	**(4,342)**
Cash flows										
Premiums paid	23,418	-	-	-	23,418	39,998	-	-	-	39,998
Commission income received	-	-	-	-	-	-	-	-	-	-
Amounts received from reinsurers relating to incurred claims	-	-	(5,938)	-	(5,938)	-	-	(3,851)	-	(3,851)
Total cash flows	**23,418**	**-**	**(5,938)**	**-**	**17,480**	**39,998**	**-**	**(3,851)**	**-**	**36,147**
Non-cash flow items										
Reinsurance Premiums Payable	-	-	-	-	-	-	-	-	-	-
Recoverable on Paid Claims	-	-	-	-	-	-	-	-	-	-
Total Non-Cash flow	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Closing Assets	**36,732**	**-**	**2,700**	**-**	**39,432**	**35,720**	**-**	**2,700**	**-**	**38,420**
Reinsurance contract assets as at 31 December	36,732	-	2,700	-	39,432	35,720	-	2,700	-	38,420
Reinsurance contract liabilities as at 31 December										
Net Closing Balance	36,732	-	2,700	-	39,432	35,720	-	2,700	-	38,420

20.3 Reinsurance Contracts Measured Under PAA (NonLife only)

In thousands of Naira	31-Dec-23					31-Dec-22				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance			Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total
Reinsurance contract assets as at 1 January	764,538	-	2,082,725	204,224	3,051,487	631,761	-	1,107,177	205,474	1,944,412
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Net Opening Balance	**764,538**	**-**	**2,082,725**	**204,224**	**3,051,487**	**631,761**	**-**	**1,107,177**	**205,474**	**1,944,412**
Changes in the statement of profit or loss										
Allocation of reinsurance premiums	(5,418,491)	-	-	-	(5,418,491)	(4,872,883)	-	-	-	(4,872,883)
Amounts recovered from reinsurers	-	-	-	-		-	-	-	-	-
Recoveries on incurred claims and expenses	-	-	1,734,769	51,717	1,786,486	-	-	1,846,115	(1,250)	1,844,865
Changes in the loss recovery component	896,541	-	-	-	896,541	874,392	-	-	-	874,392
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	**(4,521,950)**	**-**	**1,734,769**	**51,717**	**(2,735,464)**	**(3,998,491)**	**-**	**1,846,115**	**(1,250)**	**(2,153,626)**
Finance income from reinsurance contracts recognised in profit or loss	-	-	149,742	-	149,742	-	-	167,156	-	167,156
Total changes in the statement of profit or loss	**(4,521,950)**	**-**	**1,884,511**	**51,717**	**(2,585,722)**	**(3,998,491)**	**-**	**2,013,271**	**(1,250)**	**(1,986,470)**
Cash flows										
Premiums paid	4,231,968	-	-	-	4,231,968	3,499,811	-	-	-	3,499,811
Commission income received	(941,515)	-	-	-	(941,515)	(1,014,267)	-	-	-	(1,014,267)
Amounts received from reinsurers relating to incurred claims	-	-	784,664	-	784,664	-	-	1,381,020	-	1,381,020
Total cash flows	**3,290,454**	**-**	**784,664**	**-**	**4,075,118**	**2,485,544**	**-**	**1,381,020**	**-**	**3,866,564**
Non-cash flow items										
Reinsurance Premiums Payable	1,199,371	-	-	-	1,199,371	1,645,724	-	-	-	1,645,724
Recoverable on Paid Claims	-	-	(2,470,254)	-	(2,470,254)	-	-	(2,418,743)	-	(2,418,743)
Total Non-Cash flow	1,199,371	-	(2,470,254)	-	(1,270,882)	1,645,724	-	(2,418,743)	-	(773,019)
Net Closing Assets	**732,413**	**-**	**2,281,646**	**255,941**	**3,270,000**	**764,538**	**-**	**2,082,725**	**204,224**	**3,051,487**
Reinsurance contract assets as at 31 December	732,413	-	2,281,646	255,941	3,270,000	764,538	-	2,082,725	204,224	3,051,487
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
Net Closing Balance	**732,413**	**-**	**2,281,646**	**255,941**	**3,270,000**	**764,538**	**-**	**2,082,725**	**204,224**	**3,051,487**

Notes to the financial statements

20.4 Reinsurance Contracts Measured Under PAA (Group Life and Health)

In thousands of Naira	31-Dec-23					31-Dec-22				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance			Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	Total
Reinsurance contract assets as at 1 January	614,471	-	669,316	17,854	1,301,641	538,216	-	470,222	25,862	1,034,300
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Net Opening Balance	**614,471**	**-**	**669,316**	**17,854**	**1,301,641**	**538,216**	**-**	**470,222**	**25,862**	**1,034,300**
Changes in the statement of profit or loss										
Allocation of reinsurance premiums	(2,832,537)	-	-	-	(2,832,537)	(3,195,839)				(3,195,839)
Amounts recovered from reinsurers										-
Recoveries on incurred claims and expenses			2,113,961	5,420	2,119,381	-	-	2,026,390	(8,008)	2,018,382
Changes in the loss recovery component	159,151				159,151	246,107				246,107
Changes in expected recoveries on past claims	-	-	-	-	-					-
Net expenses from reinsurance contracts held	**(2,673,386)**	**-**	**2,113,961**	**5,420**	**(554,005)**	**(2,949,732)**	**-**	**2,026,390**	**(8,008)**	**(931,350)**
Finance income/(expense) from reinsurance contracts recognised in profit or loss			7,298		7,298			2,628		2,628
Total changes in the statement of profit or loss	**(2,673,386)**	**-**	**2,121,259**	**5,420**	**(546,707)**	**(2,949,732)**	**-**	**2,029,018**	**(8,008)**	**(928,722)**
Cash flows										
Premiums paid	2,290,517	-	-	-	2,290,517	2,710,267				2,710,267
Commission income received	(116,398)	-			(116,398)	(152,360)				(152,360)
Amounts received from reinsurers relating to incurred claims			(1,515,111)	-	(1,515,111)			(1,595,880)		(1,595,880)
Total cash flows	**2,174,118**	**-**	**(1,515,111)**	**-**	**659,007**	**2,557,907**	**-**	**(1,595,880)**	**-**	**962,027**
Non-cash flow items										
Reinsurance Premiums Payable	441,013	-	-	-	441,013	468,080	-	-	-	468,080
Recoverable on Paid Claims	-	-	(327,006)	-	(327,006)	-	-	(234,044)	-	(234,044)
Total Non-Cash flow	441,013	-	(327,006)	-	114,007	468,080	-	(234,044)	-	234,036
Net Closing Assets	**556,216**	**-**	**948,458**	**23,274**	**1,527,948**	**614,471**	**-**	**669,316**	**17,854**	**1,301,641**
Reinsurance contract assets as at 31 December	556,216	-	948,458	23,274	1,527,948	614,471	-	669,316	17,854	1,301,641
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
Net Closing Balance	**556,216**	**-**	**948,458**	**23,274**	**1,527,948**	**614,471**	**-**	**669,316**	**17,854**	**1,301,641**

Notes to the financial statements

21 Other receivables and prepayments

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Prepaid expenses (see note 21(a) below)	254,757	130,105	187,760
Other receivables (see note 21(b)below)	72,232	48,415	46,415
Total receivable and prepayments	326,989	178,520	234,175

21 (a) Breakdown of prepaid expenses:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Prepaid staff receivables (21(a)(i))	73,732	109,207	81,748
Prepaid minimum and deposit reinsurance(21(a)(ii))*	118,692	-	50,951
Computer maintenance	5	413	2,598
Rent and rates	37,639	5,008	7,449
Legal, professional and consultancy fees	-	-	31,964
Insurance and subscriptions	24,689	15,477	13,050
	254,757	130,105	187,760

21(a)(i) Prepaid staff benefit consist of the following;

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Cash advance	3,209	23,546	3,362
Staff prepaid medical advances	160	229	-
Other staff allowances	-	15,069	8,023
Prepaid staff loan benefit*	70,363	70,363	70,363
	73,732	109,207	81,748

*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.

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Movement in prepaid staff loan benefit during the period may be represented as follows;	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Opening balance	70,363	70,363	121,664
Amortization of prepaid staff benefit (Note 15(a))	-	-	(51,301)
	70,363	70,363	70,363

21(a)(ii) Prepaid minimum and deposit reinsurance*

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At beginning of year	-	50,951	53,657
Additions during the year	363,241	-	50,951
Amortization during the year	(244,549)	(50,951)	(53,657)
At 31 December	118,692	-	50,951

*Prepaid minimum and deposit premium do not meet the definition of reinsurance contracts and therefore not included as part of the carrying amount of reinsurance contract assets.The amount of M&D amortized/ expensed are included as part of reinsurance expenses

21(b)Breakdown of other receivables

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Withholding tax receivable	70,824	67,011	65,011
Dividend receivable on equities investments	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))	70,869	65,604	126,117
Motor vehicle loans to exited staff reclassified from property and equpiment (Note 21(b)(ii))	-	-	31,500
Others*	36,872	25,185	25,185
	266,612	245,847	335,860
Allowance for impairment (note 21('c))	(194,380)	(197,432)	(289,445)
	72,232	48,415	46,415

21(b)(i) * This relates to other miscellaneous receivables due from from various suppliers and or third parties in ordinary course of doing business.

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

Notes to the financial statements

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-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	197,432	289,445	313,802
Credit loss reversal during the year	(3,052)	(92,013)	(24,357)
At 31 December	194,380	197,432	289,445

The Gross amount of financial assets included in other receivables is N195Million (2022: N178 Million) while related impairment is N175Million (2022: N178 Million) as shown below;This excludes statutory deductions such as witholding tax receivables.

31 December 2023		ECL Impairment			
	Gross amount	Opening balance	Charge/ (reversal)	Closing balance	Net Amount
Withholding tax receivable	70,824	18,596	-	18,596	52,228
Dividend receivable on equities investments	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))	70,869	65,604	-	65,604	5,265
Others*	36,872	25,185	(3,052)	22,133	14,739
	266,612	197,432	(3,052)	194,380	72,232

31 December 2022		ECL Impairment			
	Gross amount	Opening balance	Charge/ (reversal)	Closing balance	Net Amount
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

22 Investment property

(a) Reconciliation of carrying amount

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	247,030	246,300	249,215
Additions	12,760	-	(6,274)
Fair value(loss) gain	(11,588)	730	3,359
At 31 December	248,202	247,030	246,300
The balance in this account is analyzed below:			
Cost	191,115	178,355	178,355
Revaluation gains	57,087	68,675	67,945
At 31 December	248,202	247,030	246,300

In thousands of Naira

Location	Nature of title held	At 1 January 2023	Addition	Disposal	Revaluation loss	31-Dec-2023
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	247,030	12,760	-	(11,588)	248,202
Total		247,030	12,760	-	(11,588)	248,202

*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 ₦186,300,000. As at end of 2023 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 ₦248,202,000. The amount of N12.7m represents amount incurred with respect to perfection of title for the shops.

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 2022	Addition	Disposal	Revaluation surplus	At 31 December 2022
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	246,300	-	-	730	247,030
Total		246,300	-	-	730	247,030

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

Notes to the financial statements

(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 N248 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

Reconciliation of level 3 fair value

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Fair value as at 1 January	68,675	67,945
Addition during the year	(11,588)	730
Fair value as at 31 December 2023	57,087	68,675

(iii) Sensitivity analysis

Balance as at 31 December	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Fair Value gain	57,087	68,675
+10% movement in open market price	5,709	6,868
- 10% movement in open market price	(5,709)	(6,868)

23 Deferred tax liabilities

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	601,764	593,091	588,063
Charge to profit and loss account for the year	(1,159)	73	372
Items in other comprehensive income	32,003	8,600	4,656
At 31 December	632,608	601,764	593,091

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2022: 10%) on investment properties and on the revaluation surplus of land & building and 30% (2022: 32%) on other items.

Deferred income tax assets and liabilities are attributable to the following items:

31 December 2023	Net balance at 1 January ₦'000	Recognized in profit or loss ₦'000	Recognized in OCI ₦'000	Deferred tax liabilities ₦'000
Property and equipment	539,315	-	15,506	554,822
Equity instruments designated at fair value through other comprehensive income	5,596	-	16,497	22,093
Investment properties	56,852	(1,159)	-	55,693
Total	601,764	(1,159)	32,003	632,608

31 December 2022	Net balance at 1 January ₦'000	Recognized in profit or loss ₦'000	Recognized in OCI ₦'000	Deferred tax liabilities ₦'000
Property and equipment	536,311	-	3,004	539,315
Equity instruments 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

24 Intangible assets

As at 31 December 2023

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Cost			
At 1 January-beginning of the year	229,256	229,256	229,256
At 31 December,end of year	229,256	229,256	229,256
Accumulated amortization			
At 1 January-beginning of the year	224,846	220,435	216,025
Amortization charge for the year	4,400	4,411	4,410
At 31 December,end of year	229,246	224,846	220,435
Carrying amount			
At end of year	10	4,410	8,821

Notes to the financial statements

25 Property and equipment

At 31 December 2023

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Revalued amount									
At 1 January 2023	1,194,802	2,065,140	77,611	292,915	223,804	311,568	1,094,389	-	5,260,229
Additions	-	1,344	21,598	70,310	39,486	21,516	296,793	-	451,047
Disposals	-	-	-	(5,255)	-	-	(10,800)	-	(16,055)
Revaluation surplus	13,202	141,855	-	-	-	-	-	-	155,057
At 31 December 2023	1,208,004	2,208,339	99,209	357,970	263,290	333,084	1,380,382	-	5,850,278
Accumulated depreciation									
At 1 January 2023	-	252,751	55,714	267,915	184,608	302,925	713,142	-	1,777,055
Charge for the year	-	43,781	4,102	17,689	17,411	6,237	157,028	-	246,248
Disposals	-	-	-	(2,890)	-	-	(8,775)	-	(11,665)
At 31 December 2023	-	296,532	59,816	282,714	202,019	309,162	861,395	-	2,011,638
Carrying Amount - 2023	1,208,004	1,911,807	39,393	75,256	61,271	23,922	518,987	-	3,838,641

(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-FRC/2013/NIESV/00000001582 of A.C. Otegbulu & Partners(FRC/2020/00000013597). 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, 2023, hence the depreciation charge was not reversed. The valuation method is on comparable and investment method. The revaluation gain of N155 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

At December 2022

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Revalued amount									
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	-	213,354	52,394	250,019	172,104	290,819	626,448	-	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)
At 31 December 2022	-	252,752	55,714	267,921	184,608	302,893	713,135	-	1,777,023
Carrying Amount - 2022	1,194,802	1,812,388	21,897	24,994	39,196	8,675	381,254	-	3,483,206

(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-FRC/2013/NIESV/00000001582 of A.C. Otegbulu & Partners(FRC/2020/00000013597). 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 ₦30 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

At December 2021

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Revalued amount									
At 1 January 2021	1,330,353	2,125,948	75,460	284,078	186,507	309,863	730,891	29,040	5,072,140
Additions	-	806	-	7,740	13,665	2,593	105,254	-	130,058
Disposals	-	-	-	(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	287,293	200,172	311,400	771,797	29,040	5,178,828
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	-	-	-	(4,147)	-	(1,056)	(60,759)	-	(65,962)
At 31 December 2021	-	213,354	52,394	250,019	172,104	290,819	626,448	-	1,605,138
Carrying Amount - 2021	1,333,231	1,957,081	23,066	37,274	28,068	20,581	145,349	29,040	3,573,690

Notes to the financial statements

The reconciliation of the historical cost to carrying amount of land and building are as follows:

		31 December 2023		31 December 2022	
		Land	Building	Land	Building
		₦'000	₦'000	₦'000	₦'000
25 (a)	Cost	424,349	684,841	424,349	683,497
	Accumulated depreciation	-	(296,532)	-	(252,751)
	Carrying amount	424,349	388,309	424,349	430,746

		31 December 2023		
		Land	Building	Total
		₦'000	₦'000	₦'000
25 (b)	No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,208,004	1,911,807	3,119,811
	Total	1,208,004	1,911,807	3,119,811

	31 December 2022		
	Land	Building	Total
	₦'000	₦'000	₦'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,194,802	1,812,388	3,007,190
Total	1,194,802	1,812,388	3,007,190

Notes to the financial statements

25 (c)

	Status of Title	1 January 2023	Addition	Depreciation	Disposal	Reclassification	Revaluation Gain	31 December 2023
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	Deed of Assignment	3,007,190	1,344	(43,780)	-	-	155,057	3,119,811
Total		**3,007,190**	**1,344**	**(43,780)**	**-**		**155,057**	**3,119,811**

25 (c)

	Status of Title	1 January 2022	Addition	Depreciation	Disposal	Reclassification	Revaluation Gain	31December 2022
	N'000	N'000	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	-	(39,397)		16,520	30,040	3,007,190
No. 18 Djibouti Crescent, Wuse II, FCT, Abuja	Deed of Assignment	290,285	-	-	(290,285)		-	-
Total		**3,290,312**	**-**	**(39,397)**	**(290,285)**	**16,520**	**30,040**	**3,007,190**

26 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-2023	31-Dec-2022	01-Jan-2022
	₦'000	₦'000	₦'000
Opening	900,400	900,400	900,400
Due after 12 months	900,400	900,400	900,400

Notes to the financial statements

27 Investment contract liabilities

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	155,113	226,696	192,615
Deposits received	126,042	112,615	200,352
Guaranteed interest (see note 7)	7,226	2,295	17,154
	288,381	341,606	410,121
Less: withdrawals	(187,199)	(186,493)	(183,425)
At 31 December	101,182	155,113	226,696
Due within 12 months	77,910	119,437	174,556
Due after 12 months	23,272	35,676	52,140
	101,182	155,113	226,696

The Company has a total sum of N101.1million (2022 - N155million) in deposit administered funds.

27 (a)

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Asset representing investment contract liabilities fund:			
Breakdown:			
Financial assets @ amortized cost	101,182	155,113	226,696
	101,182	155,113	226,696

28 Insurance Contract Liabilities

	2023			
	Non-life(PAA) ₦'000	Grouplife &Health(PAA) ₦'000	Ind.Life (GMM) ₦'000	Total ₦'000
Liability for Incurred claims (LIC)				
Est. of present value of future cashflows	3,809,489	1,727,431	12,208	5,549,128
Risk adj. for non financial risk	713,897	64,689	-	778,586
	4,523,386	1,792,120	12,208	6,327,714
Liability for Remaining coverage (LRC)				-
Excluding loss recovery component	2,834,388	3,462,741	970,746	7,267,875
Loss recovery component	5,406	-	51,255.57	56,662
	2,839,794	3,462,741	1,022,002	7,324,537
	7,363,180	5,254,861	1,034,210	13,652,251

Notes to the financial statements

	2022			
	Non-life(PAA)	Grouplife &Health(PAA)	Ind.Life (GMM)	Total
	₦'000	₦'000	₦'000	₦'000
Liability for Incurred claims (LIC)				
Est. of present value of future cashflows	3,000,311	1,437,588	12,502	4,450,401
Risk adj. for non financial risk	486,364	57,762	-	544,126
	3,486,675	1,495,350	12,502	4,994,527
Liability for Remaining coverage (LRC)				-
Excluding loss recovery component	2,560,012	1,408,323	885,847	4,854,182
Loss recovery component	10,780	-	-	10,780
	2,570,792	1,408,323	885,847	4,864,962
	6,057,467	2,903,673	898,349	9,859,489

	2021			
	Non-life(PAA)	Grouplife &Health(PAA)	Ind.Life (GMM)	Total
	₦'000	₦'000	₦'000	₦'000
Liability for Incurred claims (LIC)				
Est. of present value of future cashflows	2,110,637	1,297,358	12,777	3,420,772
Risk adj. for non financial risk	414,740	77,841	-	492,581
	2,525,377	1,375,199	12,777	3,913,353
Liability for Remaining coverage (LRC)				-
Excluding loss recovery component	1,775,290	1,243,566	882,129	3,900,985
Loss recovery component	364	-	-	364
	1,775,654	1,243,566	882,129	3,901,349
	4,301,031	2,618,765	894,906	7,814,702

Notes to the financial statements

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

In thousands of Naira	Dec-23			Dec-22			Jan-22		
	Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance
Insurance contracts issued									
Nonlife	-	7,363,180	7,363,180	-	6,057,467	6,057,467	-	4,301,031	4,301,031
Group & Health	-	5,254,861	5,254,861	-	2,903,673	2,903,673	-	2,618,765	2,618,765
Individual Life	-	1,034,210	1,034,210	-	898,349	898,349	-	894,906	894,906
Total Insurance contracts issued	-	13,652,251	13,652,251	-	9,859,489	9,859,489	-	7,814,702	7,814,702

In thousands of Naira	Dec-23			Dec-22			Jan-22		
	Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance
Reinsurance contracts held									
Nonlife	3,270,000	-	3,270,000	3,051,487	-	3,051,487	1,944,412	-	1,944,412
Group & Health	1,527,948	-	1,527,948	1,301,641	-	1,301,641	1,034,300	-	1,034,300
Individual Life	39,432	-	39,432	38,420	-	38,420	6,615	-	6,615
Total Reinsurance contracts held	4,837,380	-	4,837,380	4,391,548	-	4,391,548	2,985,327	-	2,985,327

Notes to the financial statements

The roll-forward of the liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below:

28.1 Insurance Contracts measured under PAA & GMM

In thousands of Naira	31-Dec-23					31-Dec-22				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	4,854,182	10,780	4,450,401	544,126	**9,859,489**	3,900,985	364	3,420,772	492,581	**7,814,702**
Net Opening Balance - PAA & GMM	**4,854,182**	**10,780**	**4,450,401**	**544,126**	**9,859,489**	**3,900,985**	**364**	**3,420,772**	**492,581**	**7,814,702**
Changes in the statement of profit or loss										
Insurance revenue										
Contracts under the fair value approach	-	-	-	-	**-**	-	-	-	-	**-**
Other contracts	(19,824,893)	-	-	-	**(19,824,893)**	(16,812,439)	-	-	-	**(16,812,439)**
	(19,824,893)	**-**	**-**	**-**	**(19,824,893)**	**(16,812,439)**	**-**	**-**	**-**	**(16,812,439)**
Insurance service expenses										
Incurred claims and expenses	-	-	7,766,119	-	**7,766,119**	-	-	8,467,514	-	**8,467,514**
Adjustments to liabilities for incurred claims	-	-	540,741	234,460	**775,201**	-	-	(47,679)	51,545	**3,866**
Losses and reversals of losses on onerous contracts	-	(5,373)	-	-	**(5,373)**	-	(10,416)	-	-	**(10,416)**
Amortisation of insurance acquisition cash flows	5,089,340	-	-	-	**5,089,340**	3,299,783	-	-	-	**3,299,783**
	5,089,340	**(5,373)**	**8,306,860**	**234,460**	**13,625,287**	**3,299,783**	**(10,416)**	**8,419,835**	**51,545**	**11,760,747**
Insurance service result	(14,735,553)	(5,373)	8,306,860	234,460	**(6,199,606)**	(13,512,656)	(10,416)	8,419,835	51,545	**(5,051,692)**
Finance expenses from insurance contracts in profit or loss	-	-	589,967	-	**589,967**	-	-	381,742	-	**381,742**
Total Changes in the statement of profit or loss	**(14,735,553)**	**(5,373)**	**8,896,827**	**234,460**	**(5,609,639)**	**(13,512,656)**	**(10,416)**	**8,801,577**	**51,545**	**(4,669,950)**
Investment components excluded from insurance results										
Cash flows										
Premiums received (including investment components)	22,419,353	-	-	-	**22,419,353**	17,802,903	20,832	-	-	**17,823,735**
Insurance acquisition cash flows	(4,843,043)	-	-	-	**(4,843,043)**	(3,496,022)	-	-	-	**(3,496,022)**
Claims and other insurance service expenses paid (includinginvestment components)	-	-	(7,798,096)	-	**(7,798,096)**	-	-	(7,771,948)	-	**(7,771,948)**
Total cash flows	**17,576,309**	**-**	**(7,798,096)**	**-**	**9,778,213**	**14,306,881**	**20,832**	**(7,771,948)**	**-**	**6,555,765**
Non-Cash flow items										
Premiums receivable	155,588	-	-	-	**155,588**	167,921	-	-	-	**167,921**
Insurance acquisition and other attributable cost	(531,400)	-	-	-	**(531,400)**	(8,949)	-	-	-	**(8,949)**
Total Non-Cashflow	**(375,812)**	**-**	**-**	**-**	**(375,812)**	**158,972**	**-**	**-**	**-**	**158,972**
Net Closing Liabilities Balance - PAA & GMM	**7,319,126**	**5,407**	**5,549,132**	**778,586**	**13,652,251**	**4,854,182**	**10,780**	**4,450,401**	**544,126**	**9,859,489**
Insurance contract assets as at 31 December	-	-	-	-	**-**	-	-	-	-	**-**
Insurance contract liabilities as at 31 December	7,319,126	5,407	5,549,132	778,586	**13,652,251**	4,854,182	10,780	4,450,401	544,126	**9,859,489**
Net Closing Balance PAA & GMM	**7,319,126**	**5,407**	**5,549,132**	**778,586**	**13,652,251**	**4,854,182**	**10,780**	**4,450,401**	**544,126**	**9,859,489**

28.2 Insurance Contracts measured under PAA(Non-life)

In thousands of Naira	31-Dec-23 Liability for remaining coverage: Excluding loss component	31-Dec-23 Liability for remaining coverage: loss component	31-Dec-23 Liability for incurred claims: Estimates of present value of future cash flows	31-Dec-23 Liability for incurred claims: Risk adjustment for non-financial risk	31-Dec-23 Total	31-Dec-22 Liability for remaining coverage: Excluding loss component	31-Dec-22 Liability for remaining coverage: loss component	31-Dec-22 Liability for incurred claims: Estimates of present value of future cash flows	31-Dec-22 Liability for incurred claims: Risk adjustment for non-financial risk	31-Dec-22 Total
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	2,560,012	10,780	3,000,311	486,364	6,057,467	1,775,290	364	2,110,637	414,740	4,301,031
Net Opening Balance - PAA	**2,560,012**	**10,780**	**3,000,311**	**486,364**	**6,057,467**	**1,775,290**	**364**	**2,110,637**	**414,740**	**4,301,031**
Changes in the statement of profit or loss										
Insurance revenue					-					
Contracts under the fair value approach					-					
Other contracts	(11,270,489)	-	-	-	(11,270,489)	(9,476,892)	-	-	-	(9,476,892)
	(11,270,489)	**-**	**-**	**-**	**(11,270,489)**	**(9,476,892)**	**-**	**-**	**-**	**(9,476,892)**
Insurance service expenses										
Incurred claims and expenses	-	-	3,892,732	-	3,892,732	-	-	5,056,527	-	5,056,527
Adjustments to liabilities for incurred claims	-	-	323,398	227,533	550,931	-	-	(791,490)	71,624	(719,866)
Losses and reversals of losses on onerous contracts	-	(5,374)	-	-	(5,374)	-	(10,416)	-	-	(10,416)
Amortisation of insurance acquisition cash flows	2,631,222	-	-	-	2,631,222	2,186,211	-	-	-	2,186,211
	2,631,222	**(5,374)**	**4,216,130**	**227,533**	**7,069,511**	**2,186,211**	**(10,416)**	**4,265,037**	**71,624**	**6,512,456**
Insurance service result	(8,639,267)	(5,374)	4,216,130	227,533	(4,200,978)	(7,290,681)	(10,416)	4,265,037	71,624	(2,964,436)
Finance expenses from insurance contracts in profit or loss	-	-	352,711	-	352,711	-	-	295,543	-	295,543
Total Changes in the statement of profit or loss	**(8,639,267)**	**(5,374)**	**4,568,841**	**227,533**	**(3,848,267)**	**(7,290,681)**	**(10,416)**	**4,560,580**	**71,624**	**(2,668,893)**
Investment components excluded from insurance results	-	-	-	-		-	-	-	-	-
Cash flows										
Premiums received (including investment components)	12,583,525	-	-	-	12,583,525	10,532,847	20,832	-	-	10,553,679
Insurance acquisition cash flows	(3,254,286)	-	-	-	(3,254,286)	(2,380,293)	-	-	-	(2,380,293)
Claims and other insurance service expenses paid (includinginvestment components)	-	-	(3,759,662)	-	(3,759,662)	-	-	(3,670,906)	-	(3,670,906)
Total cash flows	**9,329,239**	**-**	**(3,759,662)**	**-**	**5,569,577**	**8,152,554**	**20,832**	**(3,670,906)**	**-**	**4,502,480**
Non-Cash flow items										
Premiums receivable	115,803	-	-	-	115,803	(76,440)	-	-	-	(76,440)
Insurance acquisition and other attributable cost	(531,400)	-	-	-	(531,400)	(711)	-	-	-	(711)
Total Non-Cashflow	**(415,597)**	**-**	**-**	**-**	**(415,597)**	**(77,151)**	**-**	**-**	**-**	**(77,151)**
Net Closing Liabilities Balance - PAA	**2,834,388**	**5,406**	**3,809,489**	**713,897**	**7,363,180**	**2,560,012**	**10,780**	**3,000,311**	**486,364**	**6,057,467**
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	2,834,388	5,406	3,809,489	713,897	7,363,180	2,560,012	10,780	3,000,311	486,364	6,057,467
Net Closing Balance PAA	**2,834,388**	**5,406**	**3,809,489**	**713,897**	**7,363,180**	**2,560,012**	**10,780**	**3,000,311**	**486,364**	**6,057,467**

Notes to the financial statements

28.3 Insurance Contracts measured under PAA(Group life & Health)

In thousands of Naira	31-Dec-23 Liability for remaining coverage: Excluding loss component	31-Dec-23 Liability for remaining coverage: loss component	31-Dec-23 Liability for incurred claims: Estimates of present value of future cash flows	31-Dec-23 Liability for incurred claims: Risk adjustment for non-financial risk	31-Dec-23 Total	31-Dec-22 Liability for remaining coverage: Excluding loss component	31-Dec-22 Liability for remaining coverage: loss component	31-Dec-22 Liability for incurred claims: Estimates of present value of future cash flows	31-Dec-22 Liability for incurred claims: Risk adjustment for non-financial risk	31-Dec-22 Total
Insurance contract assets as at 1 January	-	-	-	-	**-**					
Insurance contract liabilities as at 1 January	1,408,323	-	1,437,588	57,762	**2,903,673**	1,243,566	-	1,297,358	77,841	**2,618,765**
Net Opening Balance - PAA	**1,408,323**	**-**	**1,437,588**	**57,762**	**2,903,673**	**1,243,566**	**-**	**1,297,358**	**77,841**	**2,618,765**
Changes in the statement of profit or loss										
Insurance revenue										
Contracts under the fair value approach										
Other contracts	(8,055,385)	-	-	-	**(8,055,385)**	(6,950,508)	-	-	-	**(6,950,508)**
	(8,055,385)	**-**	**-**	**-**	**(8,055,385)**	**(6,950,508)**	**-**	**-**	**-**	**(6,950,508)**
Insurance service expenses										
Incurred claims and expenses			3,784,181		**3,784,181**	-	-	3,280,078		**3,280,078**
Adjustments to liabilities for incurred claims			217,343	6,927	**224,270**	-	-	743,811	(20,079)	**723,732**
Losses and reversals of losses on onerous contracts	-	-	-	-	**-**	-	-			**-**
Amortisation of insurance acquisition cash flows	2,406,862				**2,406,862**	1,074,647				**1,074,647**
	2,406,862	**-**	**4,001,524**	**6,927**	**6,415,314**	**1,074,647**	**-**	**4,023,889**	**(20,079)**	**5,078,457**
Insurance service result	(5,648,523)	-	4,001,524	6,927	**(1,640,071)**	(5,875,861)	-	4,023,889	(20,079)	**(1,872,051)**
Finance expenses from insurance contracts in profit or loss			47,290		**47,290**			17,649		**17,649**
Total Changes in the statement of profit or loss	**(5,648,523)**	**-**	**4,048,814**	**6,927**	**(1,592,781)**	**(5,875,861)**	**-**	**4,041,538**	**(20,079)**	**(1,854,402)**
Investment components excluded from insurance results						-	-	-	-	**-**
Cash flows										
Premiums received (including investment components)	9,070,353	-	-	-	**9,070,353**	6,881,299	-	-	-	**6,881,299**
Insurance acquisition cash flows	(1,407,197)	-	-	-	**(1,407,197)**	(1,076,804)	-	-	-	**(1,076,804)**
Claims and other insurance service expenses paid (includinginvestment components)		-	(3,758,972)	-	**(3,758,972)**		-	(3,901,308)	-	**(3,901,308)**
Total cash flows	**7,663,156**	**-**	**(3,758,972)**	**-**	**3,904,184**	**5,804,495**	**-**	**(3,901,308)**	**-**	**1,903,187**
Non-Cash flow items										
Premiums receivable	39,785	-	-	-	**39,785**	244,361	-	-	-	**244,361**
Insurance acquisition and other attributable cost	-	-	-	-	**-**	(8,238)	-	-	-	**(8,238)**
Total Non-Cashflow	**39,785**	**-**	**-**	**-**	**39,785**	**236,123**	**-**	**-**	**-**	**236,123**
Net Closing Liabilities Balance - PAA	**3,462,741**	**-**	**1,727,431**	**64,689**	**5,254,861**	**1,408,323**	**-**	**1,437,588**	**57,762**	**2,903,673**
Insurance contract assets as at 31 December	-	-	-	-	**-**	-	-	-	-	**-**
Insurance contract liabilities as at 31 December	3,462,741	-	1,727,431	64,689	**5,254,861**	1,408,323	-	1,437,588	57,762	**2,903,673**
Net Closing Balance PAA	3,462,741	-	1,727,431	64,689	**5,254,861**	1,408,323	-	1,437,588	57,762	**2,903,673**

28.4 Insurance Contracts measured under GMM (Individual Life contracts)

In thousands of Naira	31-Dec-23					31-Dec-22				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	885,847	-	12,502	-	**898,349**	882,129	-	12,777	-	**894,906**
Net Opening Balance - GMM	**885,847**	**-**	**12,502**	**-**	**898,349**	**882,129**	**-**	**12,777**	**-**	**894,906**
Changes in the statement of profit or loss										
Insurance revenue										
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Other contracts	(499,019)	-	-	-	**(499,019)**	(385,039)	-	-	-	**(385,039)**
	(499,019)	**-**	**-**	**-**	**(499,019)**	**(385,039)**	**-**	**-**	**-**	**(385,039)**
Insurance service expenses										
Incurred claims and expenses			89,206		**89,206**			130,909		**130,909**
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows		51,256			**51,256**	38,925	-	-	-	**38,925**
	-	**51,256**	**89,206**	**-**	**140,462**	**38,925**	**-**	**130,909**	**-**	**169,834**
Insurance service result	(499,019)	51,256	89,206	-	**(358,558)**	(346,114)	-	130,909	-	**(215,205)**
Finance expenses from insurance contracts in profit or loss	-	-	189,966	-	**189,966**	-	-	68,550	-	**68,550**
Total Changes in the statement of profit or loss	**(499,019)**	**51,256**	**279,172**	**-**	**(168,592)**	**(346,114)**	**-**	**199,459**	**-**	**(146,655)**
Investment components excluded from insurance results	-	-	-	-	-	-	-	-	-	-
Cash flows										
Premiums received (including investment components)	765,480	-	-	-	**765,480**	388,757	-	-	-	**388,757**
Insurance acquisition cash flows	(181,561)	-	-	-	**(181,561)**	(38,925)	-	-	-	**(38,925)**
Claims and other insurance service expenses paid (includinginvestment components)	-	-	(279,466)	-	**(279,466)**	-	-	(199,734)	-	**(199,734)**
Total cash flows	**583,919**	**-**	**(279,466)**	**-**	**304,453**	**349,832**	**-**	**(199,734)**	**-**	**150,098**
Non-Cash flow items										
Premiums receivable	-	-	-	-	-	-	-	-	-	-
Insurance acquisition and other attributable cost	-	-	-	-	-	-	-	-	-	-
Total Non-Cashflow						**-**	**-**	**-**	**-**	**-**
Net Closing Liabilities Balance - GMM	**970,746**	**51,256**	**12,208**	**-**	**1,034,210**	**885,847**	**-**	**12,502**	**-**	**898,349**
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	970,746	51,256	12,208	-	**1,034,210**	885,847	-	12,502	-	**898,349**
Net Closing Balance GMM	**970,746**	**51,256**	**12,208**	**-**	**1,034,210**	**885,847**	**-**	**12,502**	**-**	**898,349**

Notes to the financial statements

28.5 Insurance Contracts Analysed by Components: GMM

In thousands of Naira	31-Dec-23 Estimates of present value of future cash flows	31-Dec-23 Risk Adjustment	31-Dec-23 CSM	31-Dec-23 Total	31-Dec-22 Estimates of present value of future cash flows	31-Dec-22 Risk Adjustment	31-Dec-22 CSM	31-Dec-22 Total
Insurance contract assets as at 1 January	-	-	-	**-**	-	-	-	**-**
Insurance contract liabilities as at 1 January	842,681	(2,512)	58,180	**898,349**	894,906	-	-	**894,906**
Net Opening Balance Analysed by Components - GMM	**842,681**	**(2,512)**	**58,180**	**898,349**	**894,906**	**-**	**-**	**894,906**
Changes in the statement of profit or loss								
Changes that relate to current service								
CSM recognised for services provided			(388,592)	**(388,592)**			(303,568)	**(303,568)**
Change in risk adjustment for non-financial risk for risk expired	-	(3,256)	-	**(3,256)**		(2,512)	-	**(2,512)**
Experience adjustments	(33,290)	-	-	**(33,290)**	(87,765)	-	-	**(87,765)**
Total-Changes that relate to current service	**(33,290)**	**(3,256)**	**(388,592)**	**(425,137)**	**(87,765)**	**(2,512)**	**(303,568)**	**(393,845)**
Changes that relate to future service								
Contracts initially recognised in the year	-	-	51,256	**51,256**	-	-	38,925	**38,925**
Changes in estimates that adjust the CSM	-	-	(73,882)	**(73,882)**	-	-	8,806	**8,806**
Changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	-	**-**	-	-	-	**-**
				-				**-**
Changes that relate to past service	89,206	-	-	**89,206**	130,909	-	-	**130,909**
Adjustments to liabilities for incurred claims								
Insurance service result	55,916	(3,256)	(411,218)	**(358,558)**	43,144	(2,512)	(255,837)	**(215,205)**
Finance expenses from insurance contracts in profit or loss	189,966	-	-	**189,966**	68,550	-	-	**68,550**
Total Changes in the statement of profit or loss	245,882	(3,256)	(411,218)	**(168,592)**	111,694	(2,512)	(255,837)	**(146,655)**
Cash flows								
Premiums received (including investment components)	-	-	765,480	**765,480**	-	-	388,757	**388,757**
Insurance acquisition cash flows	-	-	(232,817)	**(232,817)**	-	-	(74,740)	**(74,740)**
Claims and other insurance service expenses paid (includinginvestment components)	(228,211)	-	-	**-**	(163,919)	-	-	**(163,919)**
Total cash flows	**(228,211)**	**-**	**532,663**	**532,663**	**(163,919)**	**-**	**314,017**	**150,098**
Net Closing Liabilities Analysed by Component-GMM	**860,352**	**(5,768)**	**179,625**	**1,262,421**	**842,681**	**(2,512)**	**58,180**	**898,349**
Insurance contract assets as at 31 December	-	-	-	**-**	-	-	-	**-**
Insurance contract liabilities as at 31 December	860,352	(5,768)	179,625	**1,034,210**	842,681	(2,512)	58,180	**898,349**
Net Closing balance Analysed by Component-GMM	**860,352**	**(5,768)**	**179,625**	**1,034,210**	**842,681**	**(2,512)**	**58,180**	**898,349**

This component reconciliation refers to individual life insurance business where GMM approach was considered.

Notes to the financial statements

28.6 Age Analysis of Oustanding claims

In thousands of Naira	Nonlife				Life				Composite			
	2023		2022		2023		2022		2023		2022	
AGE	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount
0 - 90	335	534,054	378	207,204	18	42,103	-	-	353	576,157	378	207,204
91 - 180	205	186,188	218	319,844	-	-	-	-	205	186,188	218	319,844
181 - 270	138	354,806	201	93,573	27	45,612	-	-	165	400,418	201	93,573
271 - 360	145	91,476	181	71,794	-		-	-	145	91,476	181	71,794
361 and above	1,751	1,090,425	1,441	1,052,677	201	263,146	190	240,591	1,952	1,353,570	1,631	1,293,268
Total	**2,574**	**2,256,948**	**2,419**	**1,745,092**	**246**	**350,861**	**190**	**240,591**	**2,820**	**2,607,809**	**2,609**	**1,985,683**

Reason for being outstanding

2023

Reasons/days	**0 - 90**	**91 - 180**	**181 - 270**	**271 - 360**	**361 and above**	**Total**
Awaiting loss adjuster report	288,079	74,475	-	18,295	135,357	516,206
Awaiting documentation	144,039	37,238	60,063	9,148	67,679	318,166
Abadoned	-	-	-	-	-	-
Incomplete Documentation	86,424	65,166	332,347	64,033	1,150,535	1,698,504
Dsicharge voucher not yet signed	57,616	9,309	8,008	-	-	74,934
Total	**576,157**	**186,188**	**400,418**	**91,476**	**1,353,570**	**2,607,809**

2022

Reasons/days	**0 - 90**	**91 - 180**	**181 - 270**	**271 - 360**	**361 and above**	**Total**
Awaiting loss adjuster report	4,479	143,564	11,213	125	12,237	171,618
Awaiting documentation	88,520	265,771	57,247	118,466	145,603	675,607
Abadoned	-	-	-	-	-	-
Incomplete Documentation	114,330	295,652	10,831	18,045	662,133	1,100,991
Dsicharge voucher not yet signed	28,808	4,655	4,004	-	-	37,467
Total	**576,157**	**186,188**	**400,418**	**91,476**	**1,353,570**	**1,985,683**

Notes to the financial statements

29 Trade Payable

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Reinsurance payables (see note 29 (a))	1,634,444	942,907	1153554
Insurance payables (see note 29(b))	557,200	59,850	109,394
	2,191,644	1,002,757	1,262,948

29 (a) Reinsurance payables

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Premium payable to reinsurers/coinsurers	577,263	473,145	1,153,554
Payable to Hollard Health*	1,057,181	469,762	-
	1,634,444	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.

29 (b) Insurance payables

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Commission payable*	531,399	8,949	102,865
Claims Payable**	25,801	50,901	6529
	557,200	59,850	109,394

*This is in tandem with insurance acquisition & other attributable cost as reported in Note 28.1
** Claims payable represents claims already processed and closed by the claims unit but awaiting payment by the financial control department .

30 Other payables and accruals

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Accruals (see note 30(a) below)	648,016	408,741	223,833
Sundry payables (see note 30(b) below)	1,601,052	1,253,849	870,675
	2,249,068	1,662,590	1,094,508

Notes to the financial statements

30 (a) Breakdown of accruals

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Audit fees	37,948	25,000	25000
ITF levy	15,595	12,826	12456
Actuarial fees	8,782	14,311	5035
NAICOM levy	223,162	156,527	126574
Productivity bonus	150,000	100,000	-
Staff allowances	159,424	44,470	-
Other staff account payable	8,984	9,218	8943
Vendors and suppliers	39,349	41,578	41014
Investment custodian fee payable*	4,772	4,811	4811
	648,016	408,741	223,833

*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.

30 (b) Breakdown of sundry payables

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Withholding taxes	81,510	55,498	54357
PAYE	2,334	11,453	11356
Pension	41,720	3,320	2813
Accrued Directors fees	275,999	175,931	4458
Direct bank deposit*	968,805	828,470	698229
VAT payable	230,684	179,181	99466
	1,601,052	1,253,849	870,675
The carrying amounts disclosed above approximate the fair value at the reporting date.			
Due within 12 months	2,249,068	1,662,597	1,094,508
	2,249,068	1,662,597	1,094,508

* 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 one financial year

Notes to the financial statements

31 Deposit for shares

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At beginning of year	226,344	226,344	-
Dividend capitalised*	-	-	226,344
Deposit Withdrawal**	(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.

**The balance (deposit for share) in this note remain a liability until it was paid to NSIA participation during the year under review.

32 Taxation

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
32.1 *Tax expense*			
Minimum tax	85,599	95,080	77,236
NITDA levy	33,964	9,871	3,631
Nigeria Police Trust Fund	167	45	37
	119,730	104,996	80,904
Deferred tax	(1,159)	73	372
Charge for the year	118,571	105,069	81,277
Charge for the year is analyzed below:			
Minimum tax	85,599	95,080	77,236
Income tax	34,132	9,916	3,668
	119,730	104,996	80,904

Notes to the financial statements

32.2 Current tax liabilities

The movement on tax payable account during the year is as follows:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	95,665	108,483	100,111
Payment during the year	(50,020)	(117,814)	(72,532)
Charge for the year	119,730	104,996	80,904
At 31 December	165,375	95,665	108,483

Refer to note 4.2 for significant judgment and estimate related to the computation of current tax balances.

32.3 Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount as follows:

	%	31-Dec-2023 ₦'000	%	31-Dec-2022 ₦'000
Profit before tax		3,213,934		978,541
Adjustment for NITDA levy		(33,964)		(9,871)
Profit after adjustment for NITDA levy		3,179,970		968,670
Tax calculated at the tax rate of 30%	30%	953,991	30%	290,601
Effect of:				
Impact of minimum tax	3%	85,599	3%	95,080
NITDA levy	1%	33,964	1%	9,871
Nigeria Police Trust Fund		167	0%	45
Income not subject to tax	(69%)	(2,202,176)	(24%)	(875,760)
Non-deductible expenses	39%	1,247,026	47%	585,233
Effective tax	4%	118,571	16%	105,069

33 Capital and reserves

33.1 Share capital

		31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Issued and Paid-up:	Number of shares	Ordinary shares	Total	
At 31 December 2023 (50 Kobo each)	18,000,000	9,000,000	9,000,000	9,000,000
At 31 December 2022 (50 Kobo each)	18,000,000	9,000,000	9,000,000	9,000,000

Notes to the financial statements

The movement on issued and paid-up capital are as follows:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	9,000,000	9,000,000	9,000,000
At 31 December	9,000,000	9,000,000	9,000,000

The movement on Issued and paid-up capital in terms of unit are as follows;

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At 1 January	18,000,000	18,000,000	18,000,000
Increase	-	-	-
At 31 December	18,000,000	18,000,000	18,000,000

The total minimum number of ordinary shares and paid-up share as at year end was 18 billion and 18 billion respectively (2022: 18 billion/18.0 billion) with a par value of 50k per share (2022: 50k per share).

33.2 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.

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
This is composed of			
Non life business	2,818,385	2,359,216	2,044,900
Life business	496,342	396,549	315,146
	3,314,726	2,755,765	2,360,045
Non life business			
At the beginning of the year	2,359,216	2,044,900	1,813,949
Transfer from Retained earnings (see note 33.5)	459,169	314,316	230,950
At end of the year	2,818,385	2,359,216	2,044,900
Life business			
At the beginning of the year	390,546	315,146	255,095
Transfer from Retained earnings (see note 33.5)	105,795	75,400	60,050
At end of the year	496,342	390,546	315,146
Total	3,314,726	2,749,762	2,360,045

Notes to the financial statements

2023	**Non-Life**	**Life (including Health)**	**Higher of Premium or Profit**
Gross premium written	11,714,426	10,579,548	
Rate	3%	1%	
Result	351,433	105,795	459,169
Profit after tax	2,295,844	799,518	
Rate	20%	10%	
Result	459,169	79,952	105,795
Contingency reserve			564,964

2022	Non-Life	Life (including Health)	Higher of Premium or Profit
Gross premium written	10,477,263	7,539,964	
Rate	3%	1%	
Result	314,318	75,401	314,318
Profit before tax	85,670	637,906	
Rate	20%	10%	
Result	17,134	63,791	75,401
Contingency reserve			389,719

33.3 Asset revaluation reserve

This is revaluation gains in respect of land and building in line with the Company's accounting policies.

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At the beginning of the year	1,827,114	1,800,078	1,758,174
Revaluation gains, gross	155,057	30,040	46,559
Deferred tax relating to asset revaluation (see note 23)	(15,506)	(3,004)	(4,655)
Revaluation gains, net of tax	139,551	27,036	41,904
At end of the year	1,966,665	1,827,114	1,800,078
Asset revaluation reserves is analyzed as follows:			
Gross amount	2,268,907	2,268,907	2,268,907
Related deferred tax liability	(302,242)	(441,794)	(468,829)
Net amount	1,966,665	1,827,114	1,800,078

33.4 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-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At the beginning of the year	124,282	73,918	8,705
Additions during the year:			
- ECL impairment during the year (Note 14)	-	-	(1,900)
-Net fair value gain or loss on equity instrument at FVOCI (Note 18b(i))	148,468	50,364	62,535
-Net fair value gain on matured financial instruments at FVOCI (Note 18b)	-	-	4,578
At end of the year	272,750	124,282	73,918
Net movement during the year	148,468	50,364	65,213

33.5 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.

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
At the beginning of the year	662,166	433,375	676,342
IFRS 17 transition adjustment (see note 45)	-	-	27,115
Dividends declared to ordinary equity shareholders during the year (see note (34) below)	(395,999)	-	(261,000)
Profit for the year	3,095,363	618,508	281,918
Transfer to contingency reserve	(564,964)	(389,717)	(291,000)
At end of the year	2,796,566	662,166	433,375

34 Dividend

During the year, the sum of N395,862,000(2.2k per share) (2022: no dividend was paid) was paid as final dividend for 2022 financial year

35 (a) Legal proceedings and regulations

The Company is presently involved in five (2022: six) litigations with estimated claims of ₦2,431.79 million (2022: ₦2,032.45 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 2023 (31 December 2022: Nill).

(c) Contingent liability

There were no contigencies arising from the business transaction during the year.

36 Contravention of laws and regulations

The Company did not contravene any law and regulation during the year.

37 (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 (N396m) and deposit for share of N226m that was refunded to the group during the year.

37 (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-2023 ₦'000	31-Dec-2022 ₦'000	01-Jan-2022 ₦'000
Salaries	214,996	195,451	177,861
Fees (see note (b)(i) below)	48,701	44,274	40,289
Other short-term employment benefits	17,353	15,775	14,355
	281,050	255,500	232,505
Loans and advances to Directors			
Balance at 1 January	24,265	246,157	282,180
Granted during the year	-	-	-
Repayments	(24,265)	(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

38 Employees and directors

(a) Employees

The average number of persons employed by the Company during the year was as follows:

	31-Dec-2023 Number	31-Dec-2022 Number
Executive directors	3	3
Management	12	10
Non-management	121	118
	136	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-2023 Number	31-Dec-2022 Number
Less than N2,000,000	7	2
N2,000,001 - N3,500,000	23	21
N3,500,000 - N5,000,000	37	40
N5,000,000-N7,500,000	40	38
N7,500,000 - and Above	29	30
	136	131

(b) Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
Fees and sitting allowances	33,214	32,342
Executive compensation	66,853	65,098
	100,067	97,440
The chairman	16,600	10,645
The highest paid director	60,327	50,273

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-2023 Number	31-Dec-2022 Number
Above 3,400,000	11	13

Notes to the financial statements

39 Events after the reporting period

39a Events after the reporting period

There are no events after the reporting date that require adjustments/disclosure in the financial statements.

40 Reconciliation of Statement of Cash flows

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
40.1 Insurance premium received			
Opening insurance receivable	*19(a)*	167,921	110,343
Total Premium on all Insurance Contracts during the year	*19(a)*	22,293,974	18,017,227
Closing insurance receivable	*19(a)*	(155,588)	(167,921)
		22,306,307	17,959,649

Gross premium written represents gross amount and not net amount in cases whereby commissions due to third parties have been deducted at source

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
41.2 Reinsurance premium paid			
Opening reinsurance payable	*29 (a)*	(942,907)	(1,153,554)
Total Premium ceded out on all Insurance Contracts during the year		(8,255,205)	(8,168,453)
Prepaid minimum and deposit reinsurance during the year	*21(a)(ii)*	244,549	50,951
Closing reinsurance payable	*29 (a)*	1,634,444	942,907
		(7,319,119)	(8,328,149)

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
41.3 Net inflow from deposit admin			
Deposits received		126,042	112,615
Withdrawal		(187,199)	(186,493)
Guaranteed interest		-	-
		(61,157)	(73,878)

Notes to the financial statements

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
41.4 Cash paid to employees, intermediaries and other suppliers			
Personnel Expenses	15(a)	(1,843,084)	(1,576,379)
Other operating expenses	15(b)	(2,452,418)	(1,883,893)
Less non-cash items:			
Depreciation	15(b)	246,248	176,314
Amortization	15(b)	4,400	4,411
Movement in prepaid expenses		124,652	(6,716)
Movement in payables		2,545,082	2,210,299
Net cash flow from other debtors:			
- Additions	21(b)	23,817	2,000
- Dividend income	10 (a)	10,519	4,045
		(1,340,784)	(1,069,919)

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
41.5 Other income received			
Other sundry income	11(a)	6,816	175,353
		6,816	175,353

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.1 Interest income received			
Net Investment income	10	2,051,742	1,494,101
Interest Income on deposit administration	7	13,126	28,704
Dividend income on equity securities	10 (a)	(10,519)	(4,045)
(Gain)/loss on financial assets disposal	10 (a)	(433)	(10,043)
Financial assets - Interest income	10 (a)	(1,813,115)	(1,314,446)
		240,801	194,271

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.2 Dividend received			
Dividend receivable - at beginning of year	21 (b)	3,732	3,732
Dividend income on equity securities	10 (a)	10,519	4,045
Dividend receivable - at end of year	21 (b)	(3,732)	(3,732)
		10,519	4,045

Notes to the financial statements

		Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.3	**Proceeds from disposal of property and equipment**			
	Cost of property and equipment	*25*	16,055	290,285
	Accumulated depreciation of property and equipment	*25*	(11,665)	(4,429)
	Profit on sale of property and equipment	*11(a)*	-	72,565
			4,390	358,421

42.4 Movement in financial assets

		Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.4(a)	**Addition to financial asset**			
	Purchase of Federal Government Bonds	*18 (c)*	(3,703,346)	(3,086,122)
	Staff and policy loan disbursed and long term placement purchased during the year	*18 (c)*	(2,221)	(7,745)
			(3,705,567)	(3,093,867)

		Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.4(b)	**Proceed from disposal/redemption of financial assets**			
	Bond/Loan repayment/redemption	*18 (c)*	1,378,611	2,734,093
	Gain on financial assets disposal	*10 (a)*	433	10,043
			1,379,044	2,744,136

		Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.5	**Net cash flow received from coinsurer on recovery of claims paid**			
	Changes in recovery of claims paid from coinsurer on Non-life businesses	*19(b)*	(891)	145,285
	Changes in recovery of claims paid from coinsurer on life business	*19(c)*	(383,177)	(144,267)
	Net cash flow received		(384,068)	1,018

Notes to the financial statements

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.6 Effect of exchange rate fluctuations			
Cash and cash equivalents	*11(a)(ii)*	450,174	59,245
Net Unrealized foreign exchange loss(gain)**	*15*	-	-
		450,174	59,245

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.7 Dividend paid			
Total Dividend Declared and paid		395,999	-
		395,999	-

	Notes	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000
42.8 Deposit for Shares			
Received from potential investors		-	-
Refund to potential investors		226,344	-
		226,344	-

43 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.

Notes to the financial statements

The segment information provided by Management for the operations of the reporting segments for the year 31 December 2023.

	31-Dec-23				31-Dec-22			
In thousands of Naira	**Non life**	**Life**	**Health**	**Total**	**Non life**	**Life**	**Health**	**Total**
Insurance Revenue	11,270,489	5,782,361	2,772,043	19,824,893	9,476,892	4,052,000	3,283,547	16,812,439
Insurance Service Expenses	(7,069,511)	(4,896,367)	(1,659,409)	(13,625,287)	(6,512,456)	(3,625,032)	(1,623,259)	(11,760,747)
Net Expenses from reinsurance contracts held	(2,735,465)	(354,809)	(221,602)	(3,311,876)	(2,153,626)	(866,495)	(71,336)	(3,091,457)
Insurance Service result	**1,465,513**	**531,185**	**891,032**	**2,887,730**	**810,810**	**(439,527)**	**1,588,952**	**1,960,235**
Profit on deposit administration	-	5,900	-	5,900	-	26,409	-	26,409
Net Investment income	1,645,291	284,516	121,935	2,051,742	1,242,119	181,064	70,918	1,494,101
Other income	2,497,720	153,151	357,353	3,008,224	563,573	196,699	83,987	844,258
Fair value gain on investment property	-	(11,588)	-	(11,588)	-	730	-	730
Credit loss (expense)/reversal	(5,583)	-	-	(5,583)	67,934	-	-	67,934
Total investment & Other income	**4,137,428**	**431,979**	**479,288**	**5,048,695**	**1,873,626**	**404,902**	**154,904**	**2,433,432**
Net Finance expenses from insurance contract issued	(352,711)	(163,486)	(73,770)	(589,967)	(295,543)	(60,339)	(25,860)	(381,742)
Net Finance Income from reinsurance contract held	149,742	9,265	3,971	162,978	167,156	2,268	2,499	171,923
Other operating expenses	(2,996,923)	(966,955)	(331,624)	(4,295,502)	(2,470,379)	(692,054)	(297,839)	(3,460,272)
Reportable segment profit	2,403,049	(158,012)	968,897	3,213,934	85,670	(784,751)	1,422,657	723,576
Profit before tax	**2,403,049**	**(158,012)**	**968,897**	**3,213,934**	**85,670**	**(784,751)**	**1,422,657**	**723,576**
Income tax expenses	(107,205)	(7,958)	(3,408)	(118,571)	(94,060)	(11,008)	-	(105,068)
Profit after tax	2,295,844	(165,970)	965,488	3,095,363	(8,390)	(795,759)	1,422,657	618,508

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 2023

Notes to the financial statements

The segment information provided by Management for the financial position of the reporting segments for the year ended 31 December 2023

	31-Dec-23			31-Dec-22		
In thousands of Naira	Non life	Life	Health	Non life	Life	Health
Asset						
Cash and cash equivalents	1,330,868	952,900	2,283,768	(4,395,633)	6,476,295	2,080,662
Financial assets	17,788,476	5,407,698	23,196,174	12,479,511	3,862,223	16,341,734
Trade Receivable	74,457	636,814	711,271	115,743	223,793	339,536
Reinsurance contract assets	3,270,002	1,567,378	4,837,380	2,244,673	2,146,875	4,391,548
Other receivables and prepayments	304,258	22,731	326,989	155,789	22,731	178,520
Investment property	-	248,202	248,202	-	247,030	247,030
Intangible assets	10	-	10	4,410	-	4,410
Property and equipment	3,838,641	-	3,838,641	3,483,206	-	3,483,206
Statutory deposits	500,400	400,000	900,400	500,400	400,000	900,400
Total assets	**27,107,112**	**9,235,723**	**36,342,835**	**14,588,098**	**13,378,948**	**27,967,046**
Liabilities						
Investment contract liabilities	-	101,182	101,182	-	155,113	155,113
Insurance contract liabilities	7,363,279	6,288,972	13,652,251	5,182,331	4,677,158	9,859,489
Trade payable	402,756	1,788,888	2,191,644	25,835	976,922	1,002,757
Other payables and accruals	6,848,538	(4,599,470)	2,249,068	(634,152)	2,296,742	1,662,590
Deposit for shares	-	-	-	226,344	-	226,344
Deferred tax liabilities	631,755	853	632,608	599,810	1,954	601,764
Current tax liabilities	128,468	36,907	165,375	63,094	32,571	95,665
Total Liabilities	**15,374,796**	**3,617,332**	**18,992,128**	**5,463,262**	**8,140,460**	**13,603,722**
Equity						
Share capital	5,000,000	4,000,000	9,000,000	5,000,000	4,000,000	9,000,000
Statutory contingency reserve	2,818,388	496,338	3,314,726	2,353,212	396,550	2,749,762
Asset revaluation reserve	1,966,665	-	1,966,665	1,827,114	-	1,827,114
Fair value reserve	251,490	21,260	272,750	112,685	11,597	124,282
Retained earnings	1,695,773	1,100,793	2,796,566	(168,176)	830,342	662,166
Total equity	**11,732,316**	**5,618,391**	**17,350,707**	**9,124,836**	**5,238,488**	**14,363,324**

*Assets and liabilities are not allocated to each of the reportable segments as the segments(individual life,group life and health) are grouped together under life operations,it is impractical to do and also not cost efficient.

44 Revenue accounts for the year ended 31 December 2023

(i) Non-life business

	Motor ₦'000	Fire ₦'000	Bond ₦'000	General Accident ₦'000	Marine ₦'000	Engineering ₦'000	Oil & Energy ₦'000	Agricultural ₦'000	Total ₦'000
Insurance Service Revenue	2,204,965	2,255,701	525,030	1,734,771	1,583,114	547,124	2,158,646	261,138	11,270,489
Insurance Service Expenses	(659,804)	(1,750,816)	(31,967)	(1,448,169)	(1,129,846)	(567,635)	(1,326,356)	(154,917)	(7,069,511)
Net Expenses from reinsurance contracts held	(33,797)	(477,304)	(244,820)	(147,457)	(136,344)	65,752	(1,721,532)	(39,962)	(2,735,465)
Insurance Service result	1,511,364	27,580	248,243	139,145	316,924	45,241	(889,242)	66,259	1,465,513

(ii) Life & Health business

	Individual Life ₦'000	Group Life ₦'000	Health ₦'000	Total ₦'000
Insurance Service Revenue	499,019	5,283,342	2,772,043	8,554,404
Insurance Service Expenses	(140,462)	(4,755,905)	(1,659,409)	(6,555,776)
Net Expenses from reinsurance contracts held	(22,406)	(332,403)	(221,602)	(576,411)
Insurance Service result	336,151	195,034	891,032	1,422,217

Revenue accounts for the year ended 31 December 2022

(i) Non-life business

	Motor	Fire	Bond	General Accident	Marine	Engineering	Oil & Energy	Agricultural	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance Service Revenue	1,612,949	1,412,999	190,748	1,675,655	1,402,924	493,104	2,229,527	458,986	9,476,892
Insurance Service Expenses	(1,107,830)	(626,520)	(53,312)	(1,821,293)	(1,457,519)	(177,929)	(1,159,150)	(108,904)	(6,512,456)
Net Expenses from reinsurance contracts held	(302,005)	(592,141)	(103,475)	109,651	41,105	(237,296)	(805,887)	(263,577)	(2,153,626)
Insurance Service result	203,114	194,339	33,960	(35,987)	(13,490)	77,880	264,490	86,505	810,810

(ii) Life & Health business

	Individual Life	Group Life	Health	Total
	₦'000	₦'000	₦'000	₦'000
Income:				
Insurance Service Revenue	385,039	3,666,961	3,283,547	7,335,547
Insurance Service Expenses	(169,834)	(3,455,198)	(1,623,259)	(5,248,291)
Net Expenses from reinsurance contracts held	(6,481)	(860,014)	(71,336)	(937,831)
Insurance Service result	208,724	(648,251)	1,588,952	1,149,425

Notes to the financial statements

45 IFRS 17 Transition Adjustment

The company adopted IFRS 17 effective 1 January 2023. This affected the measurement and presentation of insurance and reinsurance contracts and related expenses and income. In line with the transition requirements of IFRS, the company has presented below the structure of its SOFP and SOCI pre the adoption of IFRS 17, highlighting the transition adjustments for the periods presented:

As at 1st January 2022

In thousands of Naira		31st December, 2021	Reclassification &Derecognition	Remeasurement	1st January, 2022
		IFRS 4			IFRS 17
Assets					
Cash and cash equivalents		2,661,134	-	-	2,661,134
Financial assets		14,096,359	-	-	14,096,359
Trade Receivables		287,982	-	-	287,982
Reinsurance assets	*a*	3,216,656	(3,216,656)	-	-
Reinsurance contract assets	*d*	-	2,984,384	943	2,985,327
Other receivables and prepayments	*f*	183,224	50,951	-	234,175
Deferred Acquisition Cost	*b*	328,447	(328,447)	-	-
Investment property		246,300	-	-	246,300
Intangible assets		8,821	-	-	8,821
Property and equipment		3,573,690	-	-	3,573,690
Statutory deposits		900,400	-	-	900,400
Total assets		**25,503,013**	**(509,768)**	**943**	**24,994,188**
Liabilities					
Investment contract liabilities		226,696		-	226,696
Insurance contract liabilities	*e*	8,169,321	(328,447)	(26,172)	7,814,702
Trade Payables		1,262,948		-	1,262,948
Other payables and accruals		1,094,508		-	1,094,508
Deferred commission income	*c*	181,321	(181,321)	-	-
Deposit for shares		226,344		-	226,344
Deferred tax liabilities		593,091		-	593,091
Current tax liabilities		108,483		-	108,483
Total liabilities		**11,862,712**	**(509,768)**	**(26,172)**	**11,326,772**
Equity					
Share capital		9,000,000	-	-	9,000,000
Statutory contingency reserve		2,360,045	-	-	2,360,045
Asset revaluation reserve		1,800,078	-	-	1,800,078
Fair value reserve		73,918	-	-	73,918
Retained earnings	*g*	406,260	-	27,115	433,375
Total equity		**13,640,301**	**-**	**27,115**	**13,667,416**
Total liabilities and equity		25,503,013	(509,768)	943	24,994,188

Notes to the financial statements

As at 1st January 2023

In thousands of Naira		31st December, 2022	Reclassification &Derecognition	Remeasurement	31st December, 2022
		IFRS 4			IFRS 17
Assets					
Cash and cash equivalents		2,080,662	-	-	2,080,662
Financial assets		16,341,734	-	-	16,341,734
Trade Receivables		339,536	-	-	339,536
Reinsurance assets	*a*	4,572,298	(4,572,298)	-	-
Reinsurance Contract assets	*d*	-	4,344,849	46,699	4,391,548
Other receivables and prepayments		178,520	-	-	178,520
Deferred Acquisition Cost	*b*	544,097	(544,097)	-	-
Investment property		247,030	-	-	247,030
Intangible assets		4,410	-	-	4,410
Property and equipment		3,483,206	-	-	3,483,206
Statutory deposits		900,400	-	-	900,400
Total Assets		**28,691,893**	**(771,546)**	**46,699**	**27,967,046**
Liabilities					
Investment contract liabilities		155,113		-	155,113
Insurance contract liabilities	*e*	10,129,035	(544,097)	274,551	9,859,489
Trade Payables		1,002,757	-	-	1,002,757
Other payables and accruals		1,662,590	-	-	1,662,590
Deferred commission income	*c*	227,449	(227,449)	-	-
Deposit for shares		226,344	-	-	226,344
Deferred tax liabilities		601,764	-	-	601,764
Current tax liabilities		95,665	-	-	95,665
Total liabilities		**14,100,717**	**(771,546)**	**274,551**	**13,603,722**
Equity					
Share capital		9,000,000	-	-	9,000,000
Statutory contingency reserve		2,755,765	-	(6,003)	2,749,762
Asset revaluation reserve		1,827,114	-	-	1,827,114
Fair value reserve		124,282	-	-	124,282
Retained earnings	*g*	884,015	-	(221,849)	662,166
Total equity		**14,591,176**	**-**	**(227,852)**	**14,363,324**
		-			
Total liabilities and equity		**28,691,893**	**(771,546)**	**46,699**	**27,967,046**

Notes to the financial statements

In thousands of Naira	2022 IFRS 4	Reclassification &Derecognition	Remeasurement	2022 IFRS 17
Gross premium written	18,017,227	(18,017,227)	-	-
Change in unearned premium	(1,194,369)	1,194,369	-	-
Gross premium income	**16,822,858**	**(16,822,858)**	-	-
Reinsurance expenses	(7,964,242)	7,964,242	-	-
Net premium income	8,858,616	(8,858,616)	-	-
Fees and commission income on insurance	1,120,499	(1,120,499)	-	-
Net underwriting income	**9,979,115**	**(9,979,115)**	-	-
Claims expenses:				
Gross benefits and claims incurred	(8,813,406)	8,813,406	-	-
Movement in life fund	250,589	(250,589)	-	-
Benefits and claims recoverable from reinsurers	3,878,449	(3,878,449)	-	-
	(4,684,368)	**4,684,368**	-	-
Underwriting expenses:				
Acquisition expenses	(2,722,203)	2,722,203	-	-
Maintenance expenses	(567,164)	567,164	-	-
	(3,289,367)	**3,289,367**	-	-
Insurance Revenue	-	17,073,447	(261,008)	16,812,439
Insurance Service Expenses	-	(12,102,773)	342,026	(11,760,747)
Net Expenses from reinsurance contracts held	-	(2,965,294)	(126,163)	(3,091,457)
Insurance Service result	**-**	**2,005,380**	**(45,145)**	**1,960,235**
Net Finance expenses from insurance contract issued	-	-	(381,742)	(381,742)
Net Finance Income from reinsurance contract held	-	-	171,923	171,923
Net finance result	-		(209,819)	(209,819)
Profit on deposit administration	26,409	-	-	26,409
Net investment income	1,494,101	-	-	1,494,101
Other income	844,258	-	-	844,258
Fair value gain on investment property	730	-	-	730
Credit loss reversal /(expense) on financial assets	67,934	-	-	67,934
Net investment income	2,433,432	-	-	2,433,432
Net investments and underwriting results				
Other operating expenses	(3,460,272)	-	-	(3,460,272)
Profit before income tax	**978,540**	**-**	**(254,964)**	**723,576**

Notes to the financial statements

Transition Adjustment continues

		TRANSITION ADJUSTMENT AS AT 31ST DECEMBER 2022				TRANSITION ADJUSTMENT AS AT 31ST DECEMBER 2021			
	In thousands of Naira	31st December, 2022 IFRS 4	Reclassification &Derecognition	Remeasurement	31st December,2022 IFRS 17	31st December, 2021 IFRS 4	Reclassification &Derecognition	Remeasurement	1st January, 2022 IFRS 17
a	**Reinsurance assets**								
	Opening Balance	4,572,298	-	-	4,572,298	3,216,656		-	3,216,656
	Reclassified to Reinsurance Contract Assets		(4,572,298)	-	(4,572,298)		(3,165,706)	-	(3,165,706)
	Reclassified to Other receivables and prepayments	-	-	-	-		(50,950)		(50,950)
		4,572,298	**(4,572,298)**	**-**	**-**	**3,216,656**	**(3,216,656)**	**-**	**(3,216,656)**
b	**Deferred Acquisition Cost**								
	Opening Balance	544,097	-	-	544,097	328,444		-	328,444
	Remeasurement		(544,097)	-	(544,097)		(328,444)	-	(328,444)
		544,097	**(544,097)**	**-**	**-**	**328,444**	**(328,444)**	**-**	**-**
c	**Deferred commission income**								
	Opening Balance	227,449	-	-	227,449	181,321	-	-	181,321
	Remeasurement	-	(227,449)	-	(227,449)		(181,321)	-	(181,321)
		227,449	**(227,449)**	**-**	**-**	**181,321**	**(181,321)**	**-**	**-**
d	**Reinsurance contract assets**								
	Assets for remaining coverage								
	Opening balance IFRS 4	-	1,606,463	(1,606,463)	-	-	-	-	-
	Reclassified from prepaid premium under IFRS 4	-		1,642,183	1,642,183	-	1,351,301	(1,351,301)	-
	Excluding loss component	-			-	-		1,351,301	1,351,301
	Loss component	-			-	-	-	-	-
	Deferred commission income reclassified - DCI	-	(227,449)		(227,449)	-	(181,321)	-	(181,321)
	Assets for Remaining Coverage (ARC)	**-**	**1,379,014**	**35,720**	**1,414,734**	**-**	**1,169,980**	**-**	**1,169,980**
	Assets for incurred Claims								
	Opening balance IFRS 4								
	AIC reclassified from claims recovery under IFRS 4	-	2,965,835	(2,965,835)	-	-	1,814,405	(1,814,405)	-
	Estimated present value of FCF	-		2,962,052	2,962,052	-		1,812,489	1,812,489
	Impact of claims discounting	-		(353,608)	(353,608)	-		(228,477)	(228,477)
	Risk adjustment recognised	-		222,078	222,078	-		231,335	231,335
	Discount unwinding	-		146,292	146,292				
		-	**2,965,835**	**10,979**	**2,976,814**	**-**	**1,814,405**	**942**	**1,815,347**
	Total	**-**	**4,344,849**	**46,699**	**4,391,548**	**-**	**2,984,385**	**942**	**2,985,327**

Notes to the financial statements

Transition Adjustment continues

In thousands of Naira	TRANSITION ADJUSTMENT AS AT 31ST DECEMBER 2022				TRANSITION ADJUSTMENT AS AT 31ST DECEMBER 2021			
	31st December, 2022 IFRS 4	Reclassification &Derecognition	Remeasurement	31st December,2022 IFRS 17	31st December, 2021 IFRS 4	Reclassification &Derecognition	Remeasurement	1st January, 2022 IFRS 17
e Insurance Contracts Liabilities								
Liabilities for Remaining Coverage (LRC):								
Opening balance IFRS 4	4,541,640	-	(4,541,640)	-	3,347,272	-	(3,347,272)	-
Amount reported under LRC:				-	-	-		-
Estimates of PV of future cash flows			5,038,188	5,038,188	-	-	4,209,560	4,209,560
Risk adjustment			7,547	7,547	-	-	7,055	7,055
Contractual service margin			367,782	367,782	-	-	25,579	25,579
Excluding loss component - PAA			-	-	-	-	-	-
Loss component			10,780	10,780	-	-	364	364
Impact of claims discounting			-	-	-	-	-	-
Discount unwinding			14,028	14,028	-	-	-	-
Deferred acquisition cost - reclassified to LRC		(544,097)		(544,097)	-	(328,444)	-	(328,444)
	4,541,640	**(544,097)**	**896,685**	**4,894,228**	**3,347,272**	**(328,444)**	**895,286**	**3,914,114**
Liabilities for Incurred Claims (LIC):								
Opening balance (incurred claims) IFRS 4	5,587,394	-	(5,587,394)	-	4,822,047	-	(4,822,047)	-
Amount reported under LIC				-	-	-	-	-
Estimates of present value of future cash flows			4,932,925	4,932,925	-	-	3,901,624	3,901,624
Impact of claims discounting			(807,337)	(807,337)	-	-	(493,618)	(493,618)
Risk adjustment recognised			544,127	544,127	-	-	492,582	492,582
Discount unwinding			295,546	295,546	-	-	-	-
	5,587,394	**-**	**(622,133)**	**4,965,261**	**4,822,047**	**-**	**(921,459)**	**3,900,588**
	10,129,034	**(544,097)**	**274,552**	**9,859,489**	**8,169,319**	**(328,444)**	**(26,173)**	**7,814,702**
f Other receivables and prepayments								
Opening Balance	178,520	-	-	178,520	183,225		-	183,225
Reclassified from Reinsurance Assets		-	-	-		50,950	-	50,950
	178,520	**-**	**-**	**178,520**	**183,225**	**50,950**	**-**	**234,175**
g Retained earnings								
Opening balance (IFRS 4)	406,260			406,260	676,342	-	-	676,342
Dividends declared/paid during the year				-	(261,000)	-	-	(261,000)
Transfer from profit and loss	873,475			873,475	281,920	-	-	281,920
Transfer to contingency reserve	(395,720)		6,003	(389,717)	(291,000)	-	-	(291,000)
IFRS 17 impact - reinsurance contract assets	-		46,699	46,699	-	-	942	942
IFRS 17 impact - insurance contract liabilities	-		(274,551)	(274,551)	-	-	26,171	26,171
Closing balance - IFRS 17	**884,015**	**-**	**(221,849)**	**662,166**	**406,262**	**-**	**27,113**	**433,375**

Notes to the financial statements

Transition Adjustment continues

In thousands of Naira	Note	31st December 2022 Balances as at 31st Dec. 2022	Reclassification	Remeasurement	Balances as at 31st Dec. 2022
A&B Gross Premium Income					
Gross premium written as per IFRS 4	*(J)*	18,017,227	-	-	18,017,227
Change in unearned premium as per IFRS 4	*(J)*	(1,194,369)	-	-	(1,194,369)
Reclassified to insurance revenue	*(J)*	-	(16,822,858)	-	(16,822,858)
Closing balance - IFRS 17		16,822,858	(16,822,858)	-	-
C Reinsurance expenses					
Reinsurance Expense as per IFRS 4		(7,964,242)	-	-	(7,964,242)
Reclassified to net expenses on reinsurance contracts	*(L)*	-	7,964,242	-	7,964,242
Closing balance - IFRS 17		(7,964,242)	7,964,242	-	-
D Fee and Commission Received					
Fee and Commission Received as per IFRS 4	*(L)*	1,120,499	-	-	1,120,499
Reclassified to net expenses on reinsurance contracts		-	(1,120,499)	-	(1,120,499)
Closing balance - IFRS 17		1,120,499	(1,120,499)	-	-
E Gross benefits and claims incurred					
Gross claims as per IFRS 4	*(H,I)*	(8,813,406)	-	-	(8,813,406)
Reclassified to insurance service expenses		-	8,813,406	-	8,813,406
Closing balance - IFRS 17		(8,813,406)	8,813,406	-	-
F Movement in life fund					
Movement in life fund as per IFRS 4		250,589	-	-	250,589
Reclassified to insurance service expenses	*(K)*	-	(250,589)	-	(250,589)
Closing balance - IFRS 17		250,589	(250,589)	-	-
G Benefits and claims recoverable from reinsurers					
Recovery from claims as per IFRS 4	*(L)*	3,878,449	-	-	3,878,449
Recovery reclassified to net expenses on reinsurance contracts Remeasurement		-	(3,878,449)	-	(3,878,449)
Closing balance - IFRS 17		3,878,449	(3,878,449)	-	-
H Acquisition expenses					
Expenses as per IFRS 4	*(H)*	(2,722,203)	-	-	(2,722,203)
Reclassified to insurance service expenses		-	2,722,203	-	2,722,203
Closing balance - IFRS 17		(2,722,203)	2,722,203	-	-
I Maintenance expenses					
Expenses as per IFRS 4	*(H)*	(567,164)	-	-	(567,164)
Reclassified to insurance service expenses		-	567,164	-	567,164
Closing balance - IFRS 17		(567,164)	567,164	-	-
J Insurance revenue					
Gross premium written reclasisified from GPI	*(A)*	-	18,017,227	-	18,017,227
Change in unearned premium reclasisified from GPI	*(B)*	-	(1,194,369)	-	(1,194,369)
Remeasurement		-	-	(10,419)	(10,419)
Closing balance - IFRS 17		-	16,822,858	(10,419)	16,812,439

Notes to the financial statements

In thousands of Naira	Note	31st December 2022			
		Balances as at 31st Dec. 2022	Reclassification	Remeasurement	Balances as at 31st Dec. 2022
K Insurance service expenses					
Reclasified from Gross benefits and claims incurred	*(E)*	-	(8,813,406)	-	(8,813,406)
Reclasified from Acquisition expenses	*(H)*	-	(2,722,203)	-	(2,722,203)
Reclasified from Maintenance expenses	*(I)*	-	(567,164)	-	(567,164)
Reclasified from Movement in life fund	*(F)*	-	250,589	-	250,589
Impact of acturial remeasurement		-	-	91,437	91,437
Closing balance - IFRS 17		-	(11,852,184)	91,437	(11,760,747)
L Net expenses from reinsurance contracts					
Reclasified from Reinsurance expenses	*(B)*	-	(7,964,242)	-	(7,964,242)
Reclasified from Fee and commission income:	*(H)*	-	1,120,499	-	1,120,499
Reclasified fromBenefits and claims recoverable from reinsurers	*(I)*	-	3,878,449	33,515	3,911,964
Actuarial remeasurement on risk adjustment		-	-	(159,678)	(159,678)
		-	(2,965,294)	(126,163)	(3,091,457)
M Insurance finance income/(expenses)					
Insurance finance income/(expenses) from insurance contracts	*(H)*	-	-	(381,742)	(381,742)
N Reinsurance finance income/(expenses)					
Insurance finance income/(expenses) from reinsurance contracts	*(I)*	-	-	171,923	171,923

Other National Disclosure

Value Added Statement

	31-Dec-2023 ₦'000	%	31-Dec-2022 ₦'000	%
Gross premium	22,293,974	420	18,017,227	659
Net benefits and claims	(5,378,658)	(101)	(4,684,368)	(171)
Premiums ceded to reinsurers	(8,120,714)	(153)	(7,964,242)	(291)
Fees and commission income	1,057,913	20	1,120,499	41
Investment Income	5,059,966	95	2,338,359	85
Administrative overheads - local	(9,604,812)	(181)	(6,091,828)	(223)
Value added	5,307,669	100	2,735,647	100
Distribution of value added				
To government:				
Taxes	118,571	2	105,069	4
To employees:				
Salaries and benefits	1,843,084	35	1,576,379	58
To Shareholders:				
Dividend	396	0	-	-
The future:				
For replacement of property and equipment (depreciation)	246,248	5	176,314	6
Asset replacement				
Amortisation of intangible assets	4,400	-	4,410	0.2
Transfer to contigency reserve	564,964	11	395,721	14
Retained profit for the year	2,530,003	48	477,751	9
	5,307,669	100	2,735,647	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-2023 ₦'000	31-Dec-2022 ₦'000	31-Dec-2021 ₦'000	31-Dec-2020 ₦'000	31-Dec-2019 ₦'000
Cash and cash equivalents	2,283,768	2,080,662	2,661,134	2,073,477	1,312,235
Financial assets	23,196,174	16,341,736	14,096,358	12,494,045	9,642,047
Trade receivables	711,271	339,536	287,981	230,459	162,804
Reinsurance assets	4,837,380	4,572,298	3,165,705	1,954,191	1,848,077
Other receivables	326,989	178,519	183,235	281,646	299,035
Investment properties	248,202	247,030	246,300	249,215	1,646,040
Intangible assets	10	4,410	8,820	13,230	17,640
Property and equipment	3,838,641	3,483,207	3,573,679	3,618,029	3,720,880
Statutory deposits	900,400	900,400	900,400	900,400	500,000
TOTAL ASSETS	**36,342,835**	**28,147,798**	**25,123,612**	**21,814,692**	**19,148,758**
LIABILITIES					
Investment contract liabilities	101,182	155,113	226,696	192,615	101,549
Insurance contract liabilities	13,652,251	9,584,937	7,840,872	5,982,273	4,765,271
Trade payables	2,191,644	1,002,757	1,262,948	707,298	457,919
Other payables	2,249,068	1,662,597	1,094,508	607,578	495,370
Deferred commission income	-	227,449	181,321	124,489	110,028
Current tax liabilities	165,375	95,665	108,483	100,111	96,776
Deferred tax liabilities	632,608	601,764	593,091	588,063	583,069
Deposit for Shares	-	226,344	226,344	-	98,080
TOTAL LIABILITIES	**18,992,128**	**13,556,626**	**11,534,263**	**8,302,427**	**6,708,062**
NET ASSETS	**17,350,707**	**14,591,172**	**13,589,349**	**13,512,265**	**12,440,697**
CAPITAL AND RESERVES					
Share capital	9,000,000	9,000,000	9,000,000	9,000,000	4,567,360
Share premium	-	-	-	-	2,092,703
Statutory contingency reserve	3,314,726	2,755,766	2,360,045	2,069,044	1,842,280
Asset revaluation reserve	1,966,665	1,827,113	1,800,077	1,758,174	1,720,352
Fair value reserve	272,750	124,282	73,918	8,705	94,850
Retained earnings	2,796,566	884,011	406,260	676,342	1,923,151
SHAREHOLDER'S FUNDS	**17,350,708**	**14,591,172**	**13,640,300**	**13,512,265**	**12,240,697**

	31-Dec-2023 ₦'000	31-Dec-2022 ₦'000	31-Dec-2021 ₦'000	31-Dec-2020 ₦'000	31-Dec-2019 ₦'000
Insurance Service Revenue	19,824,893	16,812,439	12,674,852	10,156,424	8,947,554
Insurance Service Expenses	(13,625,287)	(11,760,747)	(9,369,693)	(6,241,273)	(4,413,656)
Net Expenses from reinsurance contracts held	(3,311,876)	(3,091,457)	(1,635,593)	(2,094,059)	(2,732,792)
Insurance Service Result	2,887,730	1,960,235	1,669,566	1,821,092	1,801,106
Investment Income & Others	5,048,695	2,433,432	1,432,710	1,617,527	1,537,502
Net finance result	426,989	209,819	-	-	-
Operating Expenses	(5,149,480)	(3,879,910)	(2,739,082)	(2,496,433)	(2,489,569)
Profit before tax	**3,213,934**	**723,576**	**363,194**	**942,186**	**849,039**
Tax	(118,571)	(81,276)	(26,178)	(67,165)	(221,842)
Profit after tax	**3,095,363**	**281,918**	**916,008**	**781,872**	**670,457**
Earnings per share (in kobo)	17	2	8	7	4

Branch Network Details

Full Name of Company	NSIA Insurance Limited
Head Office	3, Elsie Femi Pearse Street, Victoria Island, Lagos. Nigeria
Telephone Number	01-2718199, 08097209218
E-mail	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
3	**Edo**	Benin	71, Flowell Pharmacy Building, Sapele Road, Benin City, Edo State
4	**Delta**	Warri	57, Effurun/Sapele road, Effurun, Delta State Nigeria.
5	**Kaduna**	Kaduna	23, Muhammadu Buhari Way (formerly Wharf Road) Kaduna
6	**Kano**	Kano	375, Civic Centre Road, JBS Plaza, Kano State
7	**Lagos**	Ikeja	161, Awolowo Road, Alausa, Ikeja, Lagos State, Nigeria.
8	**Oyo**	Ibadan	Oxford House, Beside UBA Regional office, Lebanon Street, Dugbe, Ibadan
9	**Rivers**	Port Harcourt	1b, Stadium Road, Port Harcourt, Rivers State
	Reinsurers	African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation Nigeria Reinsurance Corporation FBS Reinsurance	

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