Old Mutual General Insurance Company Nigeria Limited

Annual Report and Financial Statements
31 December 2023

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Corporate Information

Registered office	Post Square, 3rd Floor 1-3 Ologun Agbaje Street Victoria Island Lagos, Nigeria
Directors	
Offong Ambah	Chairman
Olalekan Oyinlade	Managing Director
Oluwole Fayemi*	Executive Director
Pieter Strydom	Independent Non-Executive Director
Mark Weston	Non-Executive Director
Korede Demola-Adeniyi	Non-Executive Director
**resigned on 31st March 2023*	
Company registration number	RC255842
Reinsurers	Nigerian Reinsurance Corporation African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation FBS Reinsurance Limited ZEP Reinsurance Company
Bankers	Ecobank Nigeria Limited Fidelity Bank Limited First Bank Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Providus Bank Rand Merchant Bank Limited Stanbic IBTC Bank Plc. Sterling Bank Plc. Union Bank Plc United Bank for Africa Plc Access Bank
Reporting actuary	QED Actuaries & Consultants (Pty) Ltd FRC/2016/NAS/00000018470 FRC/2018/00000012293
Auditor	Deloitte & Touche Civic Towers Plot GA 1 Ozumba Mbadiwe Avenue Victoria Island Lagos, Nigeria

Directors' Report

The Directors present their report on the affairs of Old Mutual General Insurance Company Nigeria Limited ("Company"), together with the financial statements and independent auditor's report for the year ended 31 December 2023.

Legal form and principal activities

The Company was incorporated in 1994 as Corporate Ideals Insurers Limited and it traded under this name until 2006 when it was acquired by Oceanic Bank International Plc. In compliance with regulatory requirements, the Company was re-structured by transferring its life underwriting business to a new company, Oceanic Life Assurance Limited, while the general underwriting business remained with Corporate Ideals Insurers Limited, which was renamed Oceanic Insurance Company Limited with an authorized and fully paid-up share capital of ₦3 billion.

In December 2011, the Company was acquired by Cressida Nigeria Limited. In November 2013, Old Mutual Africa Holdings Limited (OMAH) acquired a 70% stake of Oceanic Insurance Company Limited from Cressida Nigeria Limited which retained 30%. Oceanic Insurance Company was thereafter renamed Old Mutual Nigeria General Insurance Company Limited and became a member of the Old Mutual Group.

In 2016, the Company changed its name to Old Mutual General Insurance Company Nigeria Limited. It is licensed by the National Insurance Commission to carry on the business of non-life insurance in Nigeria.

Results for the year

The highlights of the Company's trading results for the year ended 31 December, 2023.

	31-Dec-2023	31-Dec-2022
	N'000	N'000
Profit/(loss) before income tax	1,435,914	71,882
Income tax expense	(50,150)	(40,776)
Profit/(loss) for the year	1,385,763	31,106
Transfer to contingency reserve	(251,394)	(191,148)
Net transfer to revenue reserve	**1,134,369**	**(160,042)**

Directors' interest and shareholding

The Directors of the Company who held office during the year were as follows:

Name	**Status**	**Nationality**
Offong Ambah	- Chairman	- Nigerian
Olalekan Oyinlade	- Managing Director	- Nigerian
Oluwole Fayemi*	- Executive Director	- Nigerian
Pieter Strydom	- Independent Non-Executive Director	- South African
Mark Weston	- Non-Executive Director	- British
Korede Demola-Adeniyi	- Non-Executive Director	- Nigerian

*resigned on 31st March 2023

The Directors do not have any interest required to be disclosed under Section 301 of the Companies and Allied Matters Act, 2020 (2022: Nil). In accordance with Section 305 of the Companies and Allied Matters Act 2020, none of the directors have notified the Company of any declarable interests in contracts with the Company.

Shareholding analysis

According to the register of members, the Company shareholdings as at 31 December 2023 are shown below:

	31-Dec-2023			31-Dec-2022		
	No. of Preference	No. of Ordinary	% Holding	No. of Preference Shares	No. of Ordinary Shares	% Holding
Old Mutual Africa Holdings Limited	8,118,468	6,772,000,000	69%	8,118,468	6,772,000,000	81%
Cressida Nigeria Limited	-	899,999,998	9%	-	899,999,998	11%
Old Mutual West Africa Company Limited	-	2,204,888,800	22%	3,802,222	684,000,000	8%
Ecobank Development Corporation	-	1	0%	-	1	0%
Oboden Valentine Ibru	-	1	0%	-	1	0%
Total	8,118,468	9,876,888,800	100%	11,920,690	8,356,000,000	100%

Property and equipment

Movements in property and equipment during the year are shown in note 11 to the financial statements. In the opinion of the Directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements.

Donations

Donations during the year ended 31 December 2022 amounted to N3.7 million (2022:N16.4 million) as follows:

31-Dec-23

Organization	Description	Amount
West African Insurance Companies Association	WAICA Conference 2023	2,202,201
Nigerian Council of Registered Insurance	Investiture Ceremony of NCRIB President	500,000
CAREFIRST Consult Ltd	Sponsorship towards the 2023 Insurance Claims Advocacy	750,000
Chartered Insurance Institute of Nigeria (CIIN)	Sponsorship of CIIN Event	250,000
		3,702,201

31-Dec-22

Organization	Description	Amount
Modion Communication	Broker engagement initiative	9,967,500
Nigerian Insurers Association	Investiture Ceremony of 25th Chairman of NIA	5,000,000
Nigerian Council of Registered Insurance Brokers	Sponsorship of Investiture of NCRIB Chairman	750,000
Shell Staff Cooperative Investment & Thrift Society	Sponsorship of Virtual and Physical Trade EXPO	500,000
Chartered Insurance Institute of Nigeria (CIIN)	Sponsorship of CIIN Event	150,000
		16,367,500

Employee involvement and training

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through regular meetings between management and staff of the Company.

Employment of physically challenged persons

The Company's recruitment policy, which is based solely on merit, does not discriminate against any person on the grounds of physical disability. Equal opportunities for development are given to all employees regardless of disability. In the event of any member of staff becoming disabled, the Company would make efforts to ensure that his/her employment is sustained.

Health, safety at work and welfare of employees

Members of staff are entitled to free and comprehensive medical services in terms of the current Company medical aid scheme, which is extended to members of their families at retained clinics and hospitals. Efforts are continuously being made to ensure that working environments are safe.

Auditors

The Auditors, Deloitte and Touché, have indicated their willingness to continue in office in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020.

Compliance with the code of best practices on corporate governance

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Nigerian Code of Corporate Governance 2018 (NCCG) and the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria 2021. The Directors confirm that the Company has substantially complied with the provisions of the Code of Best Practices on Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD

D. Adefulu

Aderinola Adefulu
Company Secretary
FRC/2018/NBA/00000017907
20 May 2024

Corporate Governance Report

a. Introduction

Old Mutual General Insurance Company Nigeria Limited (OMGICN) is a General Insurance Company and is committed to upholding high and established standards of good corporate governance prescribed by regulation particularly the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria 2021.The Company has in place an effective corporate governance mechanism that ensures proper over-sight of its business by the Directors and other principal organs of the Company, and carries on its business in a manner that meets the expectations of all stakeholders.

b. Shareholding

Shareholder	2023 % preference shareholding	2022 % preference shareholding	2023 % ordinary shareholding	2022 % ordinary shareholding
Old Mutual Africa Holdings (Pty)Limited	100	68	69	81
Cressida Nigeria Limited	-	-	9	11
Old Mutual West Africa Company Limited	-	32	22	8
Ecobank Development Corporation	-	-	-	-
Oboden Valentine Ibru	-	-	-	-
Total	**100**	**100**	**100**	**100**

c. Board of Directors

The tone for proper corporate governance is set by the Board. As at 31 December 2023, there were five (5) directors of the Company – the Chairman (Non-Executive), one (1) Executive,one (1) Independent Non-Executive and two (2) Non-Executives, with one (1) of the Non- Executive directors being a representative of Ecobank Development Corporation and Cressida Nigeria Limited and one (1) being a nominee of Old Mutual Africa Holdings Limited. The directors are knowledgeable, skilled, experienced, competent and experts in their various fields including insurance, accounting, marketing/sales and finance.

The Board is primarily responsible for the overall success of the Company and its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Directors also ensure the strategic guidance and effective management of the Company as well as safeguarding the interests of the shareholders. There are at least four meetings held in a year (one meeting in each quarter). The Chairman, a non-executive director, is responsible for ensuring that the Board directs the Company effectively and retains the confidence of the shareholders and management.

d. Responsibilities of the Board

The Board is responsible for:

- Ensuring that the necessary financial and capital resources are in place for the Company in Nigeria so that it is able to meet its strategic objectives;
- Reviewing the performance of senior management and ensuring that the necessary human resources are in place;
- Providing input into the appointment, succession planning and, where necessary, the removal of Directors.
- Approving Schemes of Delegated Authority for the Company's operations in Nigeria; and
- Ensuring accountability to all its stakeholderss.

The Board members who served on the Board during the financial year are as follows:

Board of Directors

NAME	POSITION
Offong Ambah	Chairman
Olalekan Oyinlade	Managing Director
Oluwole Fayemi*	Executive Director
Pieter Strydom	Independent Non-Executive Director
Mark Weston	Non-Executive Director
Korede Demola-Adeniyi	Non-Executive Director

*resigned 31st March 2023

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring the attention of the Board.

e. Board Committees

The Board carries out its oversight functions through its various Board Committees. This ensures efficiency and allows for a deeper attention to specific matters by the Board. The Committees are set up in line with statutory and regulatory requirements consistent with best practice.

Corporate Governance Report (cont'd)

Membership of the Committees of the Board is intended to make the best use of the skills, experience and expertise of non-executive directors in particular.

The Committees have well defined Terms of Reference defining their scope of responsibilities in such a way as to avoid an overlap of functions.

The Enterprise Risk Management and Audit & Compliance Committee meet quarterly while the Finance, Investments and General Purpose Committee and the Remuneration, Nomination and Governance Committee meet~~s~~ half-yearly but may hold extraordinary sessions as the business of the Company demands.

The following are the current standing Committees of the Board:

i. Finance, Investments and General Purpose Committee

The Finance, Investments and General Purpose Committee assists the Board in reviewing financial and operational matters, and evaluating the impact of budgetary control, as well as oversight on Information and Communication Technology of the business.

The Committee's membership includes:

Korede Demola-Adeniyi	- Acting Chairman
Olalekan Oyinlade	- Managing Director

Committee's Terms of Reference

• Reviews, on behalf of the Board, the financial matters arising from business strategic planning;

• Considers the proposed annual budget/resource allocation and to make recommendations to the Board;

• Considers on an ongoing basis to the Board the financial viability of the Company in the short and long terms; and

• Any other matter that may be referred to it by the Board.

ii. Enterprise Risk Management and Governance Committee

The Enterprise Risk Management Committee reviews, on behalf of the Board, management's recommendation on risk in particular, in relation to the structure and implementation of business risk framework, including the quality and effectiveness of the internal controls,risk appetite, risk profile and capital management process.

The Committee's membership includes:

Mark Weston	- Chairman
Pieter Strydom	- Non-Executive Director
Oluwole Fayemi*	- Executive Director

**resigned 31st March 2023*

Committee's Terms of Reference

• Advises and makes recommendations to the Board regarding the exposure, approach and management processes in place for all risks impacting the Company having regard to the agreed risk appetite;

• To set the risk appetite limit for the business, at least annually, review and make appropriate changes to the risk appetite with regard to the returns achieved by each operation and the overall risk appetite of the business;

• To review and discuss the risk management and compliance initiatives planned for the year;

• Reviews, monitors and challenges the business risk profile in terms of significant exposure, risk trend, losses, management actions and performance versus appetite, making recommendations to the Board where required;

• Oversees the application of regulatory risk standards and other regulatory changes as required; and

• Agrees and reviews annually, the risk strategy for the business (i.e. management of risk and the risk profile) in line with the overall risk appetite, making recommendations to the Board.

iii. Audit and Compliance Committee

The Committee assists the Board in discharging its corporate governance responsibilities for the integrity of the Company's financial statements and monitoring the effectiveness and objectivity of the internal and external auditors, as well as ensure compliance with Laws and Regulations.

The Committee's membership includes:

Pieter Strydom	- Chairman
Mark Weston	- Non-Executive Director

Corporate Governance Report (cont'd)

Committee's Terms of Reference

• Reviews the principles, policies, practices adopted in the preparation of the accounts of the Company and ensures that the financial statements of the Company comply with all statutory and the Old Mutual Limited requirements;

• Reviews the activities of the Company's external and internal auditors in order to ensure the adequacy and effectiveness of the Company's financial, operating compliance and risk management controls;

• Monitors and reviews the effectiveness of the Company's Internal Audit function; and

• Reviews and monitors the integrity of the Company's annual financial statements and any other formal announcement relating to the Company's financial performance and if requested by the Board, and other price sensitive public reports by the Company to regulators) before submission to the Board, focusing particularly on:

- Significant financial reporting, judgment and practices;
- Quality and acceptability of, and any changes in accounting policies and practices; and
- Significant adjustments and/or unadjusted differences resulting from the external audit.

• Appointment and determination of fees of the external auditors.

IV. Remuneration, Nomination and Governance Committee

Mark Weston - Chairman
Pieter Strydom - Independent Non-Executive Director

Committee's Terms of Reference

• Consider and approve the nomination and appointment of Directors to the Board;
• Establish a formal and transparent process for appointments to the Board including establishing the criteria for appointment to the Board;
• Review developments in corporate governance and best practices and consider their impact and implication for business processes and structures;
• Oversee the administration of the remuneration policy and its application to Executive Management of the Company,
• Ensure the development and periodic review of the Board Charter, Board Committee Charters and other governance policies such as the Maadili Charter and the Conflict-of-Interest Policy;
Ensure the implementation of a formal, clear, and transparent framework for the Company's remuneration policies and procedures;

f. Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees and members' attendance at these meetings during the year under review:

Members	**Board of Directors**	**Finance, Investments & General Purpose**	**Enterprise & Risk Management Committee**	**Audit and Compliance Committee**	**Remuneration, Nomination and Governance Committee**
Number of Meetings	4	2	4	4	2
Attendance					
Offong Ambah	4	N/A	N/A	N/A	N/A
Olalekan Oyinlade	4	2	N/A	N/A	N/A
Oluwole Fayemi*	1	N/A	1	N/A	N/A
Korede Demola-Adeniyi	4	2	N/A	4	N/A
Pieter Strydom	4	N/A	4	4	2
Mark Weston	4	N/A	4	4	2

*resigned 31st March 2023

Management Commentary and Analysis

Introduction

In compliance with regulatory requirements, to provide an insight into Old Mutual General Insurance Company Nigeria Limited's activities and to provide a full understanding of the Company's position, we have outlined a Management Commentary and Analysis (MC&A) report which is contained herein.

To facilitate wholesome understanding of the Company's position, it is advised that the contents of this MC&A be read in conjunction with the rest of the annual report including the full audited financial statements as well as the accompanying notes.

Nature of business

Old Mutual General Insurance Company Nigeria Limited (formerly Old Mutual Nigeria General Insurance Company Limited) is a private limited liability Company registered in Nigeria and licensed by the National Insurance Commission (NAICOM) to carry on general insurance business in the Nigerian market.

Business objective, strategy and overall performance

The Company's corporate objective is to build an entity that will operate at the high end of the industry, becoming one of the top three insurance companies in the country and an African Financial Services Champion. To achieve this, the Company ensures that there is strong organic growth through provision of excellent customer service, employment of qualified and passionate professionals and entrenching good corporate governance.

Performance indicators

Operating results and financial position

	31-Dec-23	31-Dec-22	Variance
	₦'000	₦'000	%
Insurance Revenue	7,094,701	6,303,753	13
Insurance service expenses	(5,451,010)	(5,096,995)	(7)
Insurance service result from insurance contracts issued	1,643,691	1,206,759	36
Other net income/(expenses) from reinsurance contracts	(2,390,618)	(2,060,872)	(16)
Insurance service result	(746,927)	(854,113)	13
Investment income	1,268,577	982,495	29
Profit/(loss) before income tax	1,435,914	71,882	(1,898)
Profit/(loss) for the year	1,385,763	31,106	(4,355)
Earnings/(loss) per share (kobo)	14	-	-
Diluted earnings/(loss) per share (kobo)	11	-	-

The Company experienced profit despite the tough economic conditions facing the country which had direct effect on businesses. The Company recorded a 13% increase in insurance revenue in the income statement, from N6.3 billion in 2022 financial year to approximately N7.1 billion in 2023.

The insurance service result was 21% better than prior year due to increased premium inflows.

Investment income for the year amounted to approximately N1.26 billion (2022: N982 million), an increase of N286 million. This is mainly attributable to improvement in the market returns compared to prior year, and the mark to market gains on the equity instruments.

Liquidity, capital resources and risk factors

The Company is highly liquid as the cash and cash equivalents and investment in Nigerian government bonds form the major part of its financial asset. The Company's cash investment is in accordance with its investment policy which is compliant with the regulatory requirements. At the end of December 2023, the Company had non-cash financial asset of N4.5 billion (2022: N3.7 billion).

Statement of Directors' responsibilities in relation to the financial statements

The Companies and Allied Matters Act 2020 requires the directors to prepare financial statements for each financial year that presents 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. This responsibility includes 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 the Companies and Allied Matters Act 2020
b.Establishes adequate internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
c. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that 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 judgements and estimates, in conformity with

- International Financial Reporting Standards
- Financial Reporting Council of Nigeria (Amendment) Act 2023
- Relevant circulars issued by the National Insurance Commission (NAICOM)

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of the financial performance and cash flows for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

Offong Ambah (Director)
FRC/2013/CISN/00000003487
20 May 2024

Olalekan Oyinlade (Managing Director)
FRC/2012/CIIN/00000000366
20 May 2024

Certification Pursuant To Section 405 Of Companies and Allied Matters Act 2020

We the undersigned hereby certify the following with regards to our audited financial statements for the year ended 31 December 2023 that:

We have reviewed the financial statement and to the best of our knowledge, the financial statement does not contain:

I. Any untrue statement of a material fact, or omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;"
II. the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the period presented in the report.

We:
I. Are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the year in which the periodic reports are being prepared.
II. Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report and
III.Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;"

We have disclosed to the auditors of the Company and Audit Committee:
(i) All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
(ii) Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;

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

Olalekan Oyinlade
FRC/2012/CIIN/00000000366
Managing Director
20/05/2024

Chidinma Anyaji
FRC/2024/PRO/ICAN/001/039095
Ag. Head, Financial Control
20/05/2024

INDEPENDENT AUDITORS' REPORT
To the Shareholders of Old Mutual General Insurance Company Nigeria Limited
Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Old Mutual General Insurance Company Nigeria Limited set out on pages 16 to 128, which comprise the statements of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of Old Mutual General Insurance Company Nigeria Limited as at 31 December 2023 and its financial performance, cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act 2020, Insurance Act CAP I17 LFN 2004 and 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 requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter was the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of insurance contract liabilities	**Our procedures included the following among others:**
As at 31 December 2023, the insurance contract liabilities held by the Company is N6.880 billion to which there are two components. The first component relates to the liability for remaining coverage which comprises fulfilment cash flows related to future services to be provided under groups of insurance contracts. Where the general model is adopted, this balance is also inclusive of a risk adjustment, contractual service margin and discounting.	*Developing an understanding of the control activities relevant to our audit over the Company's process for determining insurance contract liabilities, and for certain control activities, assessing whether they were appropriately designed and operating effectively on a sample basis, throughout the year ended 31 December 2023. *Developing point estimates for selected groups of contracts, focusing on groups of contracts which are
The second component relates to the liability for incurred claims and comprises fulfilment cash flows related to past services provided under group of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR) and claims incurred but not enough reported (IBNER). This balance is also inclusive of risk adjustment and discounting.	*Performing risk-based testing procedures on the remaining groups of contracts, where there have been material movements and related assumption changes. *Evaluating the appropriateness and reliability of significant data used to estimate future cash flows associated with groups of contracts, including agreeing sample of claims to underlying information.
The risk adjustment is also a key area of judgement given that it is intended to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows associated with insurance contracts that arise from nonfinancial risks.	*Testing the onerous contract assessments, including evaluating the significant assumptions against relevant supporting information. *Testing the discount rate applied through evaluating yield curves, claims payment patterns and the adopted illiquidity premium. This included comparing the rates applied to external market data and the payment patterns to historical information. *Evaluating the relevant underlying calculations used to derive the risk adjustment, including the significant assumptions.
At the end of each financial year, management employed the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.	Based on the work performed we concluded that the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled **"Old Mutual General Insurance Company Limited** Annual Report and Financial Statements for the year ended 31 December 2023", Directors' Report, Corporate Governance Report, Management Commentary, Statement of Directors' Responsibilities in relation to the Financial Statements, Certification of Financial Statements and Other National Disclosures as required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act 2023. 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 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 on the other information that we obtained prior to the date of this auditor's report, 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 of the financial statements that given a true and fair view of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Boards and the requirements of the Companies and Allied Matters Act 2020, Insurance Act CAP I17 2004 and Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with the audit committee and/or the directors, we determine the matter that was of most significance in the audit of the financial statements of the current year and is therefore the key audit matter. We describe this matter 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 benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the Fifth Schedule of Companies and Allied Matters Act 2020 and Insurance Act CAP I17 LFN 2004 Section 28 (2), we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) The Company has kept proper books of account, so far as appears from our examination of those books.
iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

No issue of non-compliance with laws and regulations came to our attention during the audit of the financial statements during the year.

The opinion expressed in these financial statements is to enable the company to comply with the requirement for the submission of its financial statements to the National Insurance Commission. Consequently, these financial statements should not be distributed or made available to any third party in whole or in part pending final approval by the National Insurance Commission and subsequent auditors' opinion thereon.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
June 2024

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0624278

Engagement Partner: Joshua Ojo, FCA
FRC/2013/ICAN/00000000849

Company information and summary of accounting policies

1. Reporting Entity

Old Mutual General Insurance Company Nigeria Limited is a limited liability company registered in Nigeria by the Corporate Affairs Commission with registration number RC 255842 and registered office at Post Square, 3rd floor, 1- 3 Ologun Agbaje Street, Victoria Island, Lagos. The Company is licensed to transact general insurance business by the National Insurance Commission (NAICOM). The Company was incorporated in 1994 as Corporate Ideals Insurers Limited until 2006 when it was acquired by Oceanic Bank International Plc. The Company's life underwriting business was then transferred to a new Company - Oceanic Life Assurance Limited, now Old Mutual Nigeria Life Assurance Company Limited while the general business was subsequently renamed Oceanic Insurance Company Limited. In 2009, the Company's ownership was transferred to Ecobank Development Corporation (EDC) following the buy over of Oceanic Bank International Limited. Oceanic Bank subsequently transferred 2,999,999,998 shares to Cressida Nigeria Limited and 1 share to Ecobank Development Corporation. The Company is currently owned by Old Mutual Africa Holdings Limited - OMAH who acquired a 70% stake of the Company (Cressida Nigeria Limited transfered 2,100,000,000) in November 2013 while 30% was being retained by Cressida. Its principal activities include general insurance underwriting, claims payment and investments.

The Company changed its name from Oceanic Insurance Company Limited to Old Mutual Nigeria General Insurance Company Limited in 2013, then to Old Mutual General Insurance Company Nigeria Limited in 2016.

These financial statements were approved by the Board of directors and authorised for issue on 20 May, 2024.

2. Basis of accounting

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with the International Financial Reporting Standards (IFRSs), the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria (“NAICOM”) Circulars.

The financial statements include the statement of financial position, statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity, summary of significant accounting policies and other explanatory information.

(b) Functional and presentation currency

The financial statements are presented in Naira, which is the Company's functional currency. Financial information presented in Naira have been rounded to the nearest thousands, except where otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following items:

• financial instruments at fair value through profit or loss measured at fair value;
• investment properties measured at fair value;
• share based payment measured at fair value; and
• insurance contract liabilities measured at fair value.

(d) Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

(e) Reporting period

The financial statements have been prepared for a 12 month period.

(f) Going concern

The financial statements have been prepared using appropriate accounitng policies, supported by reasonable judgements and estimates. The Directors have reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the company has adequate resources to continue as a going concern for the foreseeable future.

Company information and statement of accounting policies (cont'd)

3. Summary of material accounting policy information

3.1 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 years presented, unless otherwise stated.

3.2 Changes in accounting policy and disclosures

New and amended standards and interpretations

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

New and revised IFRS Accounting Standards in issue but not yet effective

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the company's consolidated financial statements in future periods.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

The Company is not a group company and as such, this standard would not apply

3.3 Material accounting policy information

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

Significant accounting policies are defined as those that reflect significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

Except for the considerations explained in Note 2(d) above, the Company consistently applied the following accounting policies to the periods presented in the financial statements.

(a) Insurance contract

The Company issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts; Motor Insurance, Fire Insurance, Engineering Insurance, General Accident Insurance, Marine Insurance, and Oil& Energy Insurance. These are contracts with coverage of one year or less. The Company accounts for these contracts applying the Premium Allocation Approach (PAA) measurement model. Insurance contracts are those contracts that the Company (the insurer) accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary.

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.

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 Group is unable to measure one contract without considering the other

Separation of components of insurance contracts

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

• cash flows relating to embedded derivatives that are required to be separated;
• cash flows relating to distinct investment components; and
• promises to transfer distinct goods or distinct non-insurance services.

All contracts are within insurance components and require no separation of non-insurance components

After the Company has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract.

The Company separates from the host insurance contract only distinct promises to transfer goods or non-insurance services to a policyholder. Once separated, such promises are accounted for applying IFRS 15.

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the Company considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder (i.e. resources that are either sold separately or already owned by the policyholder).

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components. The Company provides a significant service integrating the good or non-insurance service with the insurance components.

Level of aggregation of insurance contracts

The Company manages insurance contracts issued by product lines within an operating segment. Insurance contracts within a product line that are subject to similar risks and are managed together are aggregated into a portfolio of contracts. 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. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ringfenced within these entities. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) that aligns with the financial year and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. 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 Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually. The composition of groups established at initial recognition is not subsequently reassessed.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Company performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:
• the beginning of the coverage period of the group of contracts;
• the date when the first payment from a policyholder in the group becomes due; and
• for a group of onerous contracts, when the group becomes onerous. If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received.

The Company recognises a group of proportionate reinsurance contracts held from the later of:
• the beginning of the coverage period of the group of reinsurance contracts held; or
• the date of initial recognition of any underlying contract;

If the Company recognises an onerous group of underlying contracts before the beginning of the coverage period of the group of reinsurance contracts held, then the group of proportionate reinsurance contracts held is recognised at the same time as the onerous group of underlying contracts.
The Company recognises a group of non-proportionate reinsurance contracts held from the beginning of the coverage period of the group of reinsurance contracts; this is typically the first period in which premiums are paid or reinsurance recoveries are
Reinsurance contracts are to be recognised in full for all underlying insurance contracts expected to be issued that fall within the boundary of the reinsurance contracts held. An insurance contract is derecognised when it is:
• extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
• the contract is modified and certain additional criteria are met.

Contract boundary

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

(a) the Entity has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
(b) both of the following criteria are satisfied:
(i) the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
(ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.
Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.
Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the entity to deliver cash at a present or future date.
For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums,

Initial measurement – Groups of contracts not measured under the PAA

i. Fulfilment cash flows

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

(a) are based on a probability weighted mean of the full range of possible outcomes;

(b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and

(c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims (LIC).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

• claims handling, maintenance and administration costs;

• recurring commissions payable on instalment premiums receivable within the contract boundary;

• costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and

• income tax and other costs specifically chargeable to the policyholders under the terms of the contracts. The discount rates used are based on the yield curves provided by the Nigerian Actuarial Society. It is assumed that all policies are nearly-liquid and do not require a liquidity risk premium.

(ii) Risk adjustments for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non financial risk represents the amount of risk being transferred by the Company to the reinsurer. Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustment for non-financial risk is determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Insurance Acquisition cashflows

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 group itself or the portfolio of insurance contracts to which the group belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a rational basis.

The Company applies judgement in determining the inputs used in the methodology to 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.

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, financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions. Experience adjustments are the difference between:

• The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)

• The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Company re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Premium Allocation Approach

This is a simplification of the general model. The Company applies the PAA to the measurement of its 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, will be 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 qualify for PAA. On initial recognition, the Company 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 for 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

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. 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.

Initial and subsequent measurement - Groups of contracts measured under the PAA
The Company uses the PAA for measuring contracts with a coverage period of one year or less, or where it reasonably expects that such a simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced by applying the General Measurement Model.
On initial recognition of insurance contracts issued, the Com[any measures the LFRC at the amount of premiums received, less any acquisition cash flows allocated to the group of contracts adjusted for any amounts arising from the derecognition of any prepaid acquisition cash flows asset.
For groups of insurance contracts measured under the PAA that do not contain contracts with a coverage period greater than one year, the Company expenses acquisition cash flows as the costs are incurred.
On initial recognition of reinsurance contracts held, the Company measures the remaining coverage at the amount of ceding premiums paid.
The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:
(a) the LFRC; and
(b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.
The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:
(a) the remaining coverage; and
(b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.
For insurance contracts issued, at each of the subsequent reporting dates, the LFRC is:
(a) increased for premiums received in the period;
(b) decreased for insurance acquisition cash flows paid in the period (if applicable);
(c) decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period
(d) increased for accretion of interest (if applicable); and
(e) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses (if applicable).
For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
(a) increased for ceding premiums paid in the period; and
(b) decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LFRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money where, at initial recognition, the entity expects the time between any premium becoming due and providing the related insurance contact services is 1 year or less.
If a group of contracts becomes onerous, the Company increases the carrying amount of the LFRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.
Subsequently, the Company amortises the amount of the loss component within the LFRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.
For a group of contracts to which the premium allocation approach applies the Company does not increase the liability for remaining coverage, it does so only when it recovers the premiums in cash from the intermediary.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period. Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount. LIC claims are discounted for both claims that are expected to be paid witin one year or more than one year.

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised 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 recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Company 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 Company uses locked-in discount rates. They

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 recognised 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 nonfinancial risk, excluding any investment component amount.

Reinsurance contracts held

(i) Recognition

All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Company's 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.The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

• Contracts that on initial recognition have a net gain
• Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
• Any remaining reinsurance contracts held in the portfolio.

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage:

• At the start of the coverage period of that group of reinsurance contracts held
• At the initial recognition of any of the underlying insurance contracts, whichever is later

The Company recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

(ii) Reinsurance contracts held measured under the PAA

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid.

The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group.

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 recognises 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.

Modification and derecognition

The Company derecognises the original contract and recognises 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, derecognises the original contract and recognises 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 either the VFA or 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 Company derecognises 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 Company derecognises 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 for non-financial risk relating to the rights and obligations that have been derecognised from the group
• Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)
• Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company 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 derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Company adjusts the CSM of the group from which the modified contract has been derecognised 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 Group 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.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

(a) Insurance revenue and expenses

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

i. Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates expected premiums equally to each period of related insurance contract services, unless the expected pattern of the release of risk during the coverage period differs significantly from an even basis. In the latter case, expected premium receipts are allocated to the period based on the expected timing of incurred claims and other incurred insurance service expenses.

(b) Insurance service expenses

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

• Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on death or detection of critical illness.

• Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

• Losses on onerous contracts and reversals of such losses.

• Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

(c) Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

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

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

• on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and

• for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

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

(d) Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals)

OML has chosen not to disaggregate insurance finance income and expenses between profit or loss and OCI. All insurance finance income and expenses for the period is presented in profit or loss.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

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

recoverability assessment 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.

Significant judgements and estimates

(i) Fulfilment cash flows

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

(ii) Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

Investment guarantees embedded in insurance contracts and investment contracts with discretionary participation features are measured using stochastic modelling techniques because the guarantee does not move symmetrically with different investment return scenarios. The Company's measurement of the investment guarantee reserves incorporates a full range of scenarios representing possible future investment return (or interest rate) environments.

(iii) Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Comany 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).

Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates

that reflect this variability.

In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company uses the 'bottom-up approach' to estimate discount rates starting from the yield curve implied in the fair value of a reference portfolio that closely reflects the duration, currency and liquidity characteristics of the insurance cash flows. Risk free rates are determined by reference to the yield of highly liquid and high grade sovereign securities as published by the Nigerian Actuarial Society (NAS). The yield curve from the reference portfolio is adjusted to exclude the effects of risks present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance contracts cash flows.

The Company estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Company re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

Actuarial valuation

An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. All surpluses and deficits arising therefrom are charged to profit or loss.

Investment income

Investment income consists of dividends, interest and rental income on investment properties, interest income on loans and receivables, realised gains and losses as well as unrealised gains and losses on fair value assets. Rental income is recognised on an accrual basis.

Interest income

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

Dividend income

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

Realised gains and losses and unrealised gains and losses

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

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

Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property and equipment, salvage recoveries and other sundry income.

Foreign currency transactions

The Nigerian Naira is the Company's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date. Insurance and reinsurance contracts that generate cashflows in foreign currency are treated as monetary items.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

Cash and cash equivalents

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

Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

The Company classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on annual basis.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Company commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in the income statement.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the company's is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company's expects to receive from the holder, the debtor or any other party.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company's measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial instruments

Previously recognised financial assets are derecognised when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the Company transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by appllying a combination of risks, rewards and control tests.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or repledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Company information and statement of accounting policies (cont'd)

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Hedge
General hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about a Company's risk management activities have also been introduced.

Financial assets

a) Classification and subsequent measurement

Financial assets are classified into the following categories: fair value through profit or loss, fair value through comprehensive income and amortised cost. The classification by the Company is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i) Financial assets at fair value through profit or loss
Financial assets designated at fair value through profit or loss upon initial recognition

Other financial assets designated as at fair value through profit or loss at initial recognition are those that are:

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. The Company's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

Financial assets at FVTPL are:

• assets with contractual cash flows that are not SPPI; or/and
• assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
• assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

ii)Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how group of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.
In the current and prior reporting period the Company has applied the fair value option and so has designated debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences ar recognised in profit or loss in the 'other income' line item;

• for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on th amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. Other exchange differences are recognised in OCI in the investments revaluation reserve;

• for financial assets measured at FVTPL that are not part of a designated hedge accounting relationship, exchange difference are recognised in profit or loss either in 'net trading income', if the asset is held for trading, or in 'net income from other financial instruments at FVTPL' if otherwise held at FVTPL; and

for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investments revaluation reserve.

iv) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the market approach (transaction price paid for an identical or a similar instrument). This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques . In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the reporting date.

For more complex instruments the company uses internally developed models which are usually based on valuation models and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted debt securities for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions. The impact of financial instruments valuation reflecting non-market observable inputs (Level 3 valuations) is disclosed in the note to the financial statements.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

vi) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on the following financial instruments that are not measured at FVTPL:

• debt investment securities;
• lease receivables;
• deposit with other financial institutions

No impairment loss is recognised on equity investments.
ECLs are required to be measured through a loss allowance at an amount equal to:
12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

(vii) Credit-impaired financial assets

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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;
•the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
• the disappearance of an active market for a security because of financial difficulties; or
• the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay credit obligations and a back-stop if amounts are overdue for 90 days or more.

(viii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

• the borrower is past due more than 90 days on any material credit obligation to the Company; or
• the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

(ix) Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

As a back-stop when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(x) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing: the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with the remaining lifetime PD at the reporting date based on the modified terms.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

(xi) Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(xii) Presentation of allowance for ECL in the statement of financial position

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

• for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
• for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
• for loan commitments and financial guarantee contracts: as a provision.

(xiii) Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

(xiv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

• A financial liability is classified as held for trading if:
• it has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.
• A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
• it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account. The company does not have any financial liabilities at fair value through profit or loss at the reporting date.

(ii) Other financial liabilities

Other financial liabilities, including borrowings, is initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability

(j) Trade and other payables

Trade payables

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

Accruals and other payables

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

(k) Other receivables and prepayments

Other receivables balances include dividend receivable, intercompany balances and accrued investment income. The Company has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Company constantly monitors its exposure to their receivables via periodic review.
Prepayment are essentially prepaid rents and prepaid employee benefits. Other receivables and prepayments are carried at cost less accumulated amortisation and impairment losses.

(l) Property and equipment

Recognition and measurement

All items of property and equipment are initially recognised once they are available for use, at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Property and equipment comprise motor vehicles, office furniture, office equipment and computer equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-today servicing of property and equipment are recognised in profit or loss when incurred. Subsequent costs on replacement parts on an item of property are recognised in the carrying amount of the replaced or the renewed component.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years
Office furniture and fittings	5 years
Motor vehicles	4 years
Office equipment	5 years

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss of the year that the asset is de-recognised as other income.

Impairment

The carrying amounts of the Company’s non-financial assets are considered to be impaired when there exists any indication that the asset’s recoverable amount is less than the carrying amount. Assessement for impairment is carried out annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

(m) Intangible assets

The company recognizes intangible assets if and only if:

i. It is probable that the expected future economic benefits that are attributable to the asset will flow to the company.
ii. It is feasible to complete the asset so that it will be available for use
iii. There is ability to use or sell the asset; and

Asset class	Amortisation rate
Computer Software	33.33%

The company recognises computer software acquired as intangible asset.

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired intangible assets are recognised at cost on acquisition date. Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The assets are amortised over their useful lives. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised cost of internally developed software includes all cost directly attributable to developing the software and capitalised borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

There was no internally developed software at the date of reporting.

(n) Income and deferred tax

(i) Current tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year. Taxable profit differs from profit as reported in the Company's statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(o) Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, Laws of the Federation of Nigeria, 2004 for the general insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at amortised cost.

(p) Hypothecation of assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not co-mingled with shareholders'. In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

(q) Deferred income

Deferred income comprises deferred rental income and deferred commission income. Deferred rental income relates to rents received in advance. These are amortised and transferred to the statement of profit or loss over the periods that they relate.

Deferred commission income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred commission income are amortised systematically over the life of the contracts at each reporting date.

(r) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(s) Employee benefits liabilities

(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognised as employee benefit expenses. The expenses are accrued 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.

(ii) Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company and employees contribute 10% and 8% respectively (2018: 10% and 8%) each of the qualifying monthly emoluments in line with the Pension Reform Act.

(a) The Company's monthly contribution to the plan is recognised as an expense in profit or loss as part of staff cost. The Company remits contributions to privately administered pension fund administrators on a monthly basis. The Company has no further payment obligation once the contributions have been remitted. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(b) Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) 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 recognises 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.

(iv) Cash settled share based payments

The Company has implemented a deferred cash allocation scheme (cash settled share based payment) to defer a portion of incentive bonuses for Nigerian key management staff above a certain level and it is subject to mandatory deferral of a percentage of their cash.

The value of the deferred bonus is indexed to Old Mutual Limited's share price and accrued dividends (determined based on the number of hypothetical shares) during the vesting period which are payable bi annually. Vesting of the deferred bonus occurs in three years, conditional on continued employment at that time.

The services received in cash-settled share based payment transactions with employees and the liability to pay for those services, are recognised at fair value as the employee renders services. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The fair value of the liability is measured at the fair value of the awards or options, by applying the Old Mutual Limited's share price as listed on the Johannesburg Stock Exchange to the number of shares as at year end, taking into account terms and conditions on which the share awards were granted, and the extent to which the employees have rendered services to date.

(t) Capital and reserves

(i) Ordinary share capital

The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument. Equity instruments issued by the Company are recognised as the proceeds are received, net of direct issue costs.

(ii) Preference share capital

The Company's non-redeemable preference shares are classified as equity. They bear zero coupon (no discretionary dividends), but require conversion at a future determinable date.

(iii) Share premium

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

(iv) Contingency reserve

The Company maintains contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003. In compliance with this regulatory requirement, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(u) 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.

(vi) Deposit for shares

Deposit for shares represents financial instruments that do not meet the definition of financial liabilities and are classified as equity. The instruments neither put the Company under any obligation to deliver cash or other financial assets to another party nor require the exchange of its financial assets or financial liabilities with another party under potentially unfavourable conditions but are to be settled by delivering a fixed number of Company's equity instruments to the other party.

(v) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Company's statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(w) Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Company that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof.
The Company’s reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Motor;
- Accident;
- Marine;
- Engineering;
- Fire;
- Bond
- Aviation; and
- Oil & gas.

This is the measure used by the Company’s Chief Executive for the purposes of resource allocation and assessment of segment performance.

(x) Earnings/loss per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding for the affects of all dilutive potential ordinary shares.

(y) Contingent liabilities

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

3.40 Expense Allocation

In making these assumptions based on the understanding of business operations and how resources are deployed to each expense lines, the results showed a split of expenses into attributable and non-attributable. Attributable expenses are cost that are directly associated with the running of the business. They comprise of both the technical and some allocated management costs. These expenses are further split into insurance acquisition costs, insurance service ongoing costs and insurance service one-off expense. Non-Attributable expenses are cost that are indirectly associated with the running of the business. They are costs associated with promoting the general company. The expense lines in this category are donations, marketing costs, travel cost, project costs, product development costs, professional and consultant fees.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Assumptions and estimation uncertainties

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 expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making 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 on-going basis. Revisions to accounting estimates are recognised thus:

- in the period in which the estimate is revised, if the revision affects only that period, or
- in the period of the revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes;

- Note 3.3(i)(vi) - Determination of fair value
- Note 3.3(n)(ii) - Recognition of deferred tax assets, availability of future taxable profits against which carry forward losses can be used
- Note 3.3(a) - Reserves for insurance contract liabilities.

Assessment of significance of insurance risk

Assessment of significance of insurance risk: The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Company as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.

Combination of insurance contracts

Determining whether it is necessary to treat a set or series of insurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Group is unable to measure one contract without considering the other.

Consideration whether there are investment components

The Company considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Company considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder.

Separation of non-insurance components from insurance contracts

The Company issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as a deposit component, an investment management service, an embedded derivative and other goods or services. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, the Company applies significant judgement.

Separation of insurance components of an insurance contract

The Comapny issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Company considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.

Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

Identification of portfolios

The Company defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the Company acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked insurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different
risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked insurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different insurance risks.

Level of aggregation

The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts.

Assessment of directly attributable cash flows

The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

Assessment of eligibility for PAA

For reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model.
The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

Level of aggregation for determining the risk adjustment for non-financial risk

IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Company allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

(b) Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.
Insurance contract assets and liabilities and reinsurance contract assets and liabilities
By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF) and reinsurance contracts held, the Company 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
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

(c) Liabilities arising from insurance contracts

(i) Claims arising from insurance contracts

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The sensitivity triangulations for insurance contract liabilities are included in Note 5 (b) (iv).

(d) Fair value of financial assets

The directors are required to make judgment in selecting an appropriate valuation technique for some financial assets. The significant estimates and judgments applied in determination of fair value of financial assets are as shown in the statement of accounting policies note 3(i)(iv).

(e) Determination of fair value of investment properties

Fair value of investment properties is determined by a registered estate valuer using market prices of properties in similar locations and industry information on rent. Factors applied are determined by estimation of certainty.

(f) Impairment of financial and non - financial assets

Management's judgment is required to assess and determine the amount of impairment for financial assets carried at amortized costs as well as the amount of impairment for trade receivables. The significant estimates and judgments applied in assessing the impairment on financial assets are as shown in the statement of accounting policies note 3(i)(vi).

Company information and statement of accounting policies (cont'd)

Impairment of non-financial assets
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and recognised in other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase and recognise in other comprehensive income.

(g) 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 limitation 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) reserve for unexpired risks, calculated on a time apportionment basis of the risks accepted in the year;

(b) for outstanding claims and outgoings, an amount equal to the total estimated amount of all outstanding claims and outgoings, provided that any amount not utilised towards settlement of claims and outgoings shall be added to the total profits of the following year

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

(h) Recoverability of deferred tax assets
Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that in management's judgements it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised. The Company used the balance sheet method to ascertain the deferred tax position.

(i) Depreciation and carrying value of property and equipment
The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. There were no adjustments to the useful lives of property and equipment during the year.

(j) Determination of impairment of property and equipment, and intangible assets
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Company applies the impairment assessment to its separate cash generating units. This requires management to make judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed. An impairment review was conducted and no impairment was required on any item of property and equipment.

Statement of Financial Position

	Note	31-Dec-2023	31-Dec-2022	1 Jan 2022 Restated
		N'000	N'000	N'000
ASSETS				
Cash and cash equivalents	6	9,622,861	4,943,469	3,122,369
Financial assets	7	5,901,917	7,318,175	8,056,236
Trade receivables	8	150,250	199,266	10,060
Reinsurance contract assets	9	3,319,884	2,730,005	2,389,013
Other receivables and prepayments	10	470,623	286,559	195,067
Property and equipment	11(a)	136,279	187,273	142,038
Intangible Asset	11(b)	29,896	29,896	29,896
Statutory deposits	12	500,000	500,000	500,000
Total assets		**20,131,710**	**16,194,643**	**14,444,678**
LIABILITIES				
Insurance contract liabilities	13	6,880,198	5,851,654	4,750,733
Trade payables	14	-	308	16,684
Accruals & other payables	15	2,660,259	1,146,545	539,873
Income tax payable	16(b)	50,130	40,776	13,134
Total liabilities		**9,590,587**	**7,039,282**	**5,320,425**
EQUITY				
Share capital	18	9,876,889	8,356,000	8,356,000
Preference share capital	18	8,118	11,921	11,921
Share premium	19	3,339,269	4,856,356	4,856,356
Contingency reserve	20	1,820,792	1,569,398	1,378,250
Retained earnings	21	(4,503,945)	(5,638,314)	(5,478,273)
Total equities		**10,541,123**	**9,155,360**	**9,124,253**
Total equities and liabilities		**20,131,710**	**16,194,643**	**14,444,678**

These financial statements were approved by the Board of Directors on 20 May, 2024 and signed on behalf of the Board of directors by:

Offong Ambah (Director)
FRC/2013/CISN/00000003487

Olalekan Oyinlade (Managing Director)
FRC/2012/CIIN/00000000366

Additionally certified by:

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

Statement of Profit or Loss and Other Comprehensive Income

	Note	31-Dec-2023 N'000	2022 - Restated N'000
Insurance Revenue	22	7,094,701	6,303,753
Insurance service expenses	23	(5,451,010)	(5,096,995)
Insurance service result from insurance contracts issued		**1,643,691**	**1,206,759**
Net expenses from reinsurance contracts held	24	(2,390,618)	(2,060,872)
Insurance service result		**(746,927)**	**(854,113)**
Net foreign exchange income	28	1,222,320	159,288
Investment income	26(c)	1,268,577	982,495
Net expected credit loss on assets	27(c)	(7,288)	(8,229)
Net investment result		**2,483,610**	**1,133,554**
Net finance expenses from insurance contracts	25	(344,058)	(245,231)
Net finance income from reinsurance contracts	25	168,849	119,891
Net insurance finance result		**(175,209)**	**(125,340)**
Net insurance and investment results		**1,561,474**	**154,101**
Other operating Income	27(a)	93,643	34,133
Non attributable expenses	29(a)	(219,204)	(116,351)
		(125,561)	**(82,218)**
Profit before income tax		1,435,914	71,882
Income tax expense	16(a)	(50,150)	(40,776)
Profit for the year		**1,385,763**	**31,106**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**1,385,763**	**31,106**
Earnings/(loss) per share - basic (kobo)	32(a)	14	-
Earnings/(loss) per share - diluted (kobo)	32(b)	11	-

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

Statement of Changes in Equity
for the year ended

31 December 2023

	Ordinary Share capital N'000	Preference share capital N'000	Share Premium N'000	Contingency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2023	8,356,000	11,921	4,856,356	1,569,398	(5,638,314)	**9,155,360**
Opening balance adjustment	-	-	-	-		-
Issue of preference shares	1,517,087		(1,517,087)			-
Conversion of preference shares	3,802	(3,802)				-
Profit for the year	-	-	-	-	1,385,763	**1,385,763**
Total comprehensive income for the year	-	-	-	-	**1,385,763**	**1,385,763**
Transfer to and from contingency reserve (see notes 20 & 21)	-	-	-	251,394	(251,394)	-
Balance at 31 December 2023	**9,876,889**	**8,118**	**3,339,269**	**1,820,792**	**(4,503,945)**	**10,541,124**

31 December 2022

	Ordinary Share capital N'000	Preference share capital N'000	Share Premium N'000	Contingency Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2022	8,356,000	11,921	4,856,356	1,378,250	(5,065,856)	**9,536,671**
IFRS 17 Opening balance adjustment	-	-	-	-	(412,417)	**(412,417)**
Balance at 1 Jan 2022 (restated)	**8,356,000**	**11,921**	**4,856,356**	**1,378,250**	**(5,478,273)**	9,124,254
Loss for the year	-	-	-	-	31,106	**31,106**
Total comprehensive loss for the year	-	-	-	-	**31,106**	**(381,311)**
Transfer to and from contingency reserve (see notes 20 & 21)	-	-	-	191,148	(191,148)	-
Balance at 31 December 2022	**8,356,000**	**11,921**	**4,856,356**	**1,569,398**	**(5,638,314)**	**9,155,360**

Statement of Cash Flows
for the year ended

	Note	31-Dec-2023 N'000	31-Dec-2022 N'000
Cash flows from operating activities:			
Insurance premium received from policy holders	31(c)	8,151,433	6,072,311
Reinsurance receipts in respect of claims	9	966,987	357,947
Reinsurance commission received	9	681,756	439,096
Reinsurance premium paid	9	(4,460,389)	(3,079,017)
Claims and other insurance service expenses paid	13	(3,479,244)	(2,319,229)
Insurance acquisition cash flows paid	13	(2,344,014)	(1,690,631)
Premium received not yet allocated	15	1,175,827	462,306
Other operating cash receipts		1,588,653	161,245
Income taxes paid	16(b)	(40,796)	(13,134)
Net cash from operating activities		**2,240,213**	**390,894**
Cash flows from investing activities:			
Purchases of property and equipment	11	(16,571)	(110,522)
Proceeds from disposal of property and equipment	11(c)	-	19,476
Proceed from adjustment/disposal of equity investment	7(a)	320,219	2,085
Proceeds from maturity of investments	7(b)	7,066,126	7,836,988
Purchase of other investments	7(b)	(6,171,575)	(7,254,681)
Repayment of mortgage loans	7(c)	-	(3,177)
Dividend received	26(a)(i)		
		26,699	14,325
Interest income received	26(a)	1,214,281	925,713
Net cash used in investing activities		**2,439,179**	**1,430,206**
Cash flows from financing activities:			
Proceeds from issue of preference shares		-	-
Issue of ordinary shares		-	-
Issue of shares (share premium)	19	-	-
Net cash used in financing activities		**-**	**-**
Net increase in cash and cash equivalents		4,679,392	1,821,100
Cash and cash equivalents at beginning of year		4,943,469	3,122,369
Cash and cash equivalents at end of year		**9,622,861**	**4,943,469**

The statement of significant accounting policies and the accompanying notes form an integral part of

Transition Disclosures

A Reconciliation of Statement of financial position on transition as at 1 January 2022 and as at 31 December 2022

Total equity attributable to shareholders of the Company, as restated for the adoption of IFRS 17, is ₦ 9.12 billion at the transition date of 1 January 2022. The total equity attributable to shareholders of the Company reported on an IFRS 4 basis at 31 December 2021 was ₦9.53billion.

The financial impacts on transition to IFRS 17 are summarised in the table below, which sets out the restated statement of financial position on the transition date:

		Transition adjustment as at 31 December 2022					Transition adjustment as at 1 January 2022				
	Note	31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	1 Jan. 2022 IFRS 17 ₦'000
Assets											
Cash and cash equivalents		4,943,469	-	-	-	4,943,469	3,122,369	-	-	-	3,122,369
Financial assets		7,318,176	-	-	-	7,318,176	8,056,236	-	-	-	8,056,236
Trade receivables		199,266	-	-	-	199,266	10,060	-	-	-	10,060
Reinsurance contract assets			2,536,433	193,571	2,730,005	2,730,005		2,411,235	(22,223)	2,389,013	2,389,013
Reinsurance assets	A(ii)	2,949,151	(2,949,151)		(2,949,151)	-	2,518,905	(2,518,905)		(2,518,905)	-
Deferred acquisition costs	B(i)	313,057	(313,057)	-	(313,057)	-	331,013	(331,013)	-	(331,013)	-
Other receivables and prepayments	A(ii)	163,224	123,334	-	123,334	286,558	195,067	-	-	-	195,067
Investment properties		-	-	-	-	-	-	-	-	-	-
Property and equipment		187,273	-	-	-	187,273	142,038	-	-	-	142,038
Intangible Asset		29,896	-			29,896	29,896			-	29,896
Statutory deposits		500,000	-			500,000	500,000				500,000
Total assets		**16,603,511**	**(602,440)**	**193,571**	**(408,868)**	**16,194,643**	**14,905,583**	**(438,684)**	**(22,222)**	**(460,905)**	**14,444,677**
Liabilities and equity		-		-	-	-	-	-		-	-
Liabilities		-		-	-	-	-	-		-	-
Insurance contract liabilities	B(ii)	5,438,728	(313,057)	725,983	412,926	5,851,654	4,691,551	(331,013)	390,195	59,182	4,750,733
Trade payables		172,555	(172,247)		(172,247)	308	17,686	(1,003)		(1,003)	16,684
Accruals & other payables		1,263,680	(117,135)		(117,135)	1,146,545	646,541	(106,668)		(106,668)	539,873
Income tax payable		40,776		-	-	40,776	13,134			-	13,134
Total liabilities		**6,915,739**	**(602,440)**	**725,983**	**123,543**	**7,039,282**	**5,368,912**	**(438,684)**	**390,195**	**(48,489)**	**5,320,424**
Equity		-		-	-	-	-	-	-	-	-
Ordinary share capital		8,356,000	-	-	-	8,356,000	8,356,000	-	-	-	8,356,000
Preference share capital		11,921	-	-	-	11,921	11,921	-	-	-	11,921
Share premium		4,856,356	-	-	-	4,856,356	4,856,356	-	-	-	4,856,356
Contingency reserve		1,569,398	-	-	-	1,569,398	1,378,250	-	-	-	1,378,250
Retained earnings	B(iii)	(5,105,903)	-	(532,412)	(532,412)	(5,638,314)	(5,065,856)	-	(412,417)	(412,417)	(5,478,273)
Total equity		**9,687,773**	**-**	**(532,412)**	**(532,412)**	**9,155,361**	**9,536,671**	**-**	**(412,417)**	**(412,417)**	**9,124,254**
Total liabilities and equity		**16,603,512**	**(602,440)**	**193,571**	**(408,869)**	**16,194,643**	**14,905,583**	**(438,684)**	**(22,222)**	**(460,906)**	**14,444,677**

A Explanatory notes to the reconciliation of the Statement of financial position

Reinsurance contract assets

Reinsurance assets, comprising prepaid reinsurance, reinsurers' share of Incurred but not Reported (IBNR) claims as well as reinsurers' share of oustanding claims have been reclassified to reinsurance contract assets. Co-insurer's share of claims paid is maintained as reinsurance receivables and does not form part of the reinsurance contract assets.

Outstanding claims recoverable and Incurred But Not Reported (IBNR) claims were reclassified to arrive at the future cashflows for the total incurred claims. The adjusted future cashflows for total outstanding claims recoverable was discounted to present value (i.e. Best estimate liability - BEL).

The Reinsurance contract asset has two components - Asset for Remaining coverage (ARC) and the Asset for incurred claims(AIC). The ARC comprises of the payment obligations for reinsured events that have not yet occurred and for other reinsurance contract services that have not yet been received (i.e., unearned reinsurance premium reserve and deferred commission income). A remeasurement adjustment was made against payment obligations for reinsured events that have not yet occurred.

The AIC comprises the outstanding recoverable for incurred claims that have not been settled, and for other reinsurance contract services already received. It is measured by calculating the present value of the risk-adjusted future cash flows. Outstanding claims recoverable plus Incurred But Not Reported (IBNR) was remeasured to derive the future cashflows for the total incurred claims. The adjusted future cashflows for total outstanding claims recoverable was discounted to present value (i.e. Best estimate liability- BEL).

A risk adjustment for non financial risk was added to the present value of future cashflows to account for any remaining uncertainty as to the ultimate amount of claims or their payout dates.

Below is the analysis of the changes in reinsurance contract asssets:

		-	-	-	-	-	-	-	-	-	-
		Transition adjustment as at 31 December 2022					Transition adjustment as at 1 January 2022				
	Note	31 Dec. 2022 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	1 Jan. 2022 IFRS 17 ₦'000
Reinsurance assets		-	-	-	-	-	-	-	-	-	-
Prepaid reinsurance	(i)	1,159,709	(1,159,709)	-	(1,159,709)	-	1,044,062	(1,044,062)	-	(1,044,062)	-
Recoverable on outstanding claims	(ii)	1,666,107	(1,666,107)		(1,666,107)	-	1,320,091	(1,320,091)		(1,320,091)	-
Reinsurance contracts held	9	-	2,730,005		2,730,005	2,730,005		2,389,013		2,389,013	2,389,013
Coinsurance receivables and M&D	10	123,334		(123,334)	(123,334)	-	154,752		(154,752)	(154,752)	-
Closing balance		**2,949,151**	**(95,812)**	**(123,334)**	**(219,146)**	**2,730,005**	**2,518,905**	**24,860**	**(154,752)**	**(129,892)**	**2,389,013**

(i) Under IFRS 4, prepaid reinsurance was measured as a function of the reinsurance policy tenor while reinsurance recoverable on outstanding claims is derived from the outstanding claims and the reinsurance policy terms. However, under IFRS 17, prepaid reinsurance and recoverable on outstanding claims are classified under reinsurance contract held.

(ii) Under IFRS 17, Reinsurance contracts held are treated as independent contracts, grouped and measured according to the IRS 17 requirements; e.g., Premium Allocation Approach. Recoveries on Claims paid & M&D, is thus, the only Reinsurance component that remains unchanged from IFRS 4 to IFRS 17.

B Explanatory notes to the reconciliation of the Statement of financial position - continued

Insurance contract liabiities

Insurance contract asset has two components - Liability for Remaining coverage (LRC) and the Liability for incurred claims(LIC).

The LRC comprises the payment obligations for insured events that have not yet occurred and for other insurance contract services that have not yet been provided (i.e. unearned premium reserve and deferred acquisition/commission cost). For LRC, a remeasurement adjustment of ₦ 195 million for portfolios measured using PAA on transition on 1 January 2022 while December 2022 has N293 million remeasurement adjustment. These provisions were made against the payment obligations for insured events that have not yet occurred.

The LIC comprises the payment obligations for incurred claims that have not yet been settled, and for other insurance contract services already provided. It is measured by calculating the present value of the risk-adjusted future cash flows. Outstanding claims plus IBNR was remeasured to derive the future cashflows for incurred claims, the adjusted future cashflows for total incurred claims was discounted to the present value(i.e. Best Estimate Liability (BEL), while also considering the time value of money. A risk adjustment for non-financial risk was added to the remeasured present value of the cash outflows to account for any remaining uncertainty as to the ultimate amount of claims or their payout dates.

Deferred acquisition cost (DAC) which was previously reported as a separate line in the statement of financial position under IFRS 4 now reports in Insurance contract liabiltiies as part of liability for remaining coverage (LRC).

Total changes to insurance contract liabilities on transition was ₦59 million as at 1 January 2022 and ₦412 million as at 31 December 2022.

Below is the analysis of the changes in insurance contract liabilities:

		Transition adjustment as at 31 December 2022					Transition adjustment as at 1 January 2022				
	Note	31 Dec. 2022 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	1 Jan. 2022 IFRS 17 ₦'000
(i) Deferred acquisition cost							-	-	-	-	-
Opening balance	(vii)	313,057	-	(313,057)	-	-	331,013	-	(331,013)	-	-
Closing balance		**313,057**	**-**	**(313,057)**	**-**	**-**	**331,013**	**-**	**(331,013)**	**-**	**-**
		-	-	-	-	-	-	-	-	-	-

(ii) Explanatory notes to the reconciliation of the Statement of financial position - continued

		Transition adjustment as at 31 December 2022					Transition adjustment as at 1 January 2022				
	Note	31 Dec. 2022 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	1 Jan. 2022 IFRS 17 ₦'000
Insurance contract liabilitie		-	-	-	-	-	-	-	-	-	-
Unearned premium reserve		2,143,838	(2,143,838)	-	(2,143,838)	-	2,070,660	(2,070,660)	-	(2,070,660)	-
OCR & IBNR	(ii)	3,294,890	(3,294,890)		(3,294,890)	-	2,620,891	(2,620,891)		(2,620,891)	-
Insurance contract liabilities			6,164,711	(313,057)	5,851,654	5,851,654		5,081,746	(331,013)	4,750,733	4,750,733
Closing balance		**5,438,728**	**725,983**	**(313,057)**	**412,926**	**5,851,654**	**4,691,551**	**390,195**	**(331,013)**	**59,182**	**4,750,733**

(iii) Retained earnings

The changes in retained earnings is shown in the table below:

		Transition adjustment as at 31 December 2022					Transition adjustment as at 1 January 2022				
	Note	31 Dec. 2022 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	31 Dec. 2021 IFRS 4 ₦'000	Remeasurement ₦'000	Reclassification ₦'000	Total changes ₦'000	1 Jan. 2022 IFRS 17 ₦'000
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Opening balance		5,065,855	-	-	-	5,065,855	3,603,968	-	-	-	3,603,968
Profit for the year		(151,101)	-	-	-	(151,101)	1,302,801	-	-	-	1,302,801
Transfer to contingency reserves		191,148	-	-	-	191,148	159,086	-	-	-	159,086
Dividend declared and paid		-	-	-	-	-	-	-	-	-	-
IFRS 17 impact - reinsurance contract assets		-	408,868	-	408,868	408,868	-	460,905	-	460,905	460,905
IFRS 17 iimpact - insurance contract liabilities		-	123,543	-	123,543	123,543	-	(48,489)	-	(48,489)	(48,489)
Balance, end of year		5,105,902	532,411	-	532,411	5,638,312	5,065,855	412,416	-	412,416	5,478,273

C Reconciliation of Statement of comprehensive income for the year ended 31 December 2022

	Transition adjustment as at 31 December 2022				
	31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000
Insurance revenue	-	6,303,753	-	6,303,753	6,303,753
Gross premium income	6,303,753	(6,303,753)	-	-6,303,753	-
Reinsurance expenses	(3,267,944)	3,267,944	-	3,267,944	-
Net premium income	3,035,809	3,267,944	-	3,267,944	-
Insurance service expenses	-	(5,096,995)	-	-5,096,995	(5,096,995)
Net expense from reinsurance contracts held	-	(2,060,872)	-	-2,060,872	(2,060,872)
Fees and commission income	474,069	(474,069)	-	-474,069	-
Net insurance benefits and claims	(1,219,678)	1,219,678	-	1,219,678	-
Underwriting expenses	(1,090,225)	1,090,225	-	1,090,225	-
Insurance service result	**1,199,975**	**(2,054,088)**	**-**	**(2,054,088)**	**(854,113)**
Investment income	982,495	-	-	-	982,495
Net fair value loss	-	-	-	-	-
Impairment (charge)/write-back	(8,229)	-	-	-	(8,229)
Net realised gain/(loss)	-	-	-	-	-
Share of profit of equity accounted investee	-	-	-	-	-
Net foreign exchange gain	159,288	-	-	-	159,288
Other investment income	-	-	-	-	-
Other operating income	34,133	-	-	-	34,133
	1,167,687	**-**	**-**	**-**	**1,167,687**
Insurance finance income/(expense)	-	-	(245,231)	(245,231)	(245,231)
Reinsurance finance income/(expense)	-	-	119,891	119,891	119,891
Net insurance finance expense	**-**	**-**	**(125,340)**	**(125,340)**	**(125,340)**
Net insurance and investment result	**2,367,661**	**(2,054,088)**	**(125,340)**	**(2,179,428)**	**188,233**
Total operating expenses	(2,175,784)	2,059,433	-	2,059,433	(116,351)
Profit before taxation	**191,877**	**5,345**	**(125,340)**	**(119,995)**	**71,882**
Income tax expense	(40,776)	-	-	-	(40,776)
Profit for the year	**151,101**	**5,345**	**(125,340)**	**(119,995)**	**31,106**
	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss:	-	-	-	-	-
Asset revaluation on property, plant and equipment, net of tax	-	-	-	-	-
Net change on equities classified at fair value through other comprehensive income, net of tax	-	-	-	-	-
Other comprehensive income, net of tax	**151,101**	**5,345**	**(125,340)**	**(119,995)**	**31,106**
	-	-	-	-	-
Total comprehensive income	**151,101**	**5,345**	**(125,340)**	**(119,995)**	**31,106**

D Explanatory notes to the reconciliation of the Statement of comprehensive income

IFRS 17 also introduces significant changes in the presentation of the income statement:

• Insurance related income statement lines under IFRS 4, such as Gross premium income, reinsurance expenses, changes in life/annuity fund estimate, reinsurance expenses have been derecognised under IFRS 17.

•

• The insurance service result separately presents the result, before the effects of financial risks, for insurance and investment contracts, and comprises insurance revenue and insurance service expenses.

• Insurance revenue, the composition of which is set out in the revised accounting policies, represents the allocation over the life of the insurance contract of premiums received. Insurance revenue replaces net premium income.

• Insurance service expense separately presents the claims and expenses incurred in fulfilling insurance.

• The net insurance and investment result comprises investment return, the finance income/expense on insurance contract liabilities that arises from discounting, changes in financial risk and changes in the fair value of underlying items, and the previously presented movement in investment contract liabilities.

• Foreign exchange gain, which was formerly included as part of "Other operating income" have been separately shown as a line item in the statement of profit or loss.

Below is a detailed breakdown of the changes in the statement of profit or loss:

			Transition adjustment as at 31 December 2022				
		Note	31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000
			-	-	-	-	-
(i)	**Gross premium income**		-	-	-	-	-
	As per IFRS 4		6,303,753	(6,303,753)	-	(6,303,753)	-
	Closing balance, IFRS 17		**6,303,753**	**(6,303,753)**	**-**	**(6,303,753)**	**-**
			-	-	-	-	-
(ii)	**Reinsurance expenses**						
	As per IFRS 4		(3,267,944)	3,267,944	-	3,267,944	-
	Closing balance, IFRS 17		**(3,267,944)**	**3,267,944**	**-**	**3,267,944**	**-**
			-	-	-	-	-
(iii)	**Fee and commission income**		-	-	-	-	-
	As per IFRS 4		474,069	(474,069)	-	(474,069)	-
	Closing balance, IFRS 17		**474,069**	**(474,069)**	**-**	**(474,069)**	**-**
			-	-	-	-	-
(iv)	**Net insurance benefits and claims**		-	-	-	-	-
	As per IFRS 4		(1,219,678)	-	-	-	(1,219,678)
	Gross claims incurred reclassified to insurance service expenses		-	1,219,678	-	1,219,678	1,219,678
	Closing balance, IFRS 17		**(1,219,678)**	**1,219,678**	**-**	**1,219,678**	**-**

D Explanatory notes to the reconciliation of the Statement of comprehensive income - continued

		Transiition adjustment as at 31 December 2022					
		31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000	
(v)	**Changes in life / investment contract**					-	
	As per IFRS 4	-	-	-	-	-	
	Closing balance, IFRS 17	**-**	**-**	**-**	**-**	**-**	
		-	-	-	-	-	
(vi)	**Underwriting expenses**	-	-	-	-	-	
	As per IFRS 4	(1,090,225)	1,090,225	-	1,090,225	-	
	Closing balance, IFRS 17	**(1,090,225)**	**1,090,225**	**-**	**1,090,225**	**-**	
		-	-	-	-	-	
(vii)	**Insurance revenue**					-	
	Premium reclassified from Gross premium income	-	6,303,753	-	6,303,753	6,303,753	
	Closing balance, IFRS 17		**6,303,753**	**-**	**6,303,753**	**6,303,753**	**-**
		-	-	-	-	-	
(viii)	**Insurance service expenses**						
	Gross claims incurred reclassified to insurance service expenses	-	(1,956,743)	(36,119)	(1,992,862)	(1,992,862)	
	Underwriting expenses	-	(1,090,225)	-	(1,090,225)	(1,090,225)	
	IFRS 17 impact : Losses on onerous contracts	-	-	(65,901)	(65,901)	(65,901)	
	Reclassified from other operating expenses	-	(2,059,433)	-	(2,059,433)	(2,059,433)	
	Closing balance, IFRS 17	**-**	**(5,106,401)**	**(102,020)**	**(5,208,421)**	**(5,208,421)**	
		-	-	-	-	-	
(ix)	**Net expense from reinsurance contracts**						
	Reinsurance premium expenses reclassified under IFRS 4	-	(3,267,944)	72,313	(3,195,631)	(3,195,631)	
	Fees and commision income reclassified under IFRS 4	-	474,069	-	474,069	474,069	
	Recoveries on coinsurance and reinsurance reclassified under IFRS 4	-	737,065	-	737,065	737,065	
	IFRS 17 impact: Losses on onerous contracts	-	-	43,516	43,516	43,516	
	Closing balance, IFRS 17	**-**	**(2,056,810)**	**115,830**	**(1,940,981)**	**(1,940,981)**	
		-	-	-	-	-	
(x)	**Insurance finance income/(expense)**						
	Insurance finance income/(expenses)	-	-	(245,231)	(245,231)	(245,231)	
(xi)	**Reinsurance finance income/(expense)**						
	Insurance finance income/(expenses)	-	-	119,891	119,891	119,891	

D Explanatory notes to the reconciliation of the Statement of comprehensive income - continued

		Transiition adjustment as at 31 December 2022				
		31 Dec. 2022 IFRS 4 ₦'000	Reclassification and derecognition ₦'000	IFRS 17 re-measurement ₦'000	Total changes ₦'000	31 Dec. 2022 IFRS 17 ₦'000
(xiii)	**Other operating income**					
	Other income	34,133	34,133	-	34,133	34,133
	Foreign exchange gain	159,288	159,288	-	159,288	159,288
	Impairment (charge)/write-back	(8,229)	(8,229)	-	(8,229)	(8,229)
	Closing balance, IFRS 17	**185,192**	**185,192**	**-**	**185,192**	**185,192**
		-	-	-	-	-
(xiv)	**Foreign exchange gain**	-	-	-	-	-
	Foreign exchange loss	-	159,288	-	159,288	159,288
	Closing balance, IFRS 17	**-**	**159,288**	**-**	**159,288**	**159,288**
		-	-	-	-	-
(xv)	**Other investment income**					-
	Rental Income	-	-	-	-	-
	Closing balance, IFRS 17	**-**	**-**	**-**	**-**	**-**
		-	**-**	**-**	**-**	**-**
(xvi)	**Other operating and administrative expenses**	**-**	**-**	**-**	**-**	**-**
	Total operating expenses, IFRS 4	(2,175,784)	(2,175,784)	-	(2,175,784)	(2,175,784)
	Attributable expenses reclassified to insurance service expenses	-	2,059,433	-	2,059,433	2,059,433
		(2,175,784)	**(116,351)**	**-**	**(116,351)**	**(116,351)**

5. Financial Risk Management

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability of businesses in Nigeria.

In a sustained economic phase of low growth, characterized by rising unemployment, lower household income, declining corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected.

The Company's risk management process includes the identification and measurement of various forms of risk, the establishment of risk thresholds and the creation of processes intended to maintain risks within these thresholds while optimizing returns on the underlying assets and minimizing costs associated with liabilities. Risk range limits are established for each type of riskm including financial risk, and are approved by the Board’s Investment Committee and subject to ongoing review.

The Company’s risk management strategy is an integral part of managing the Company’s core businesses, and utilizes a variety of risk management tools and techniques such as:

- Measures of price sensitivity to market changes (e.g., interest rate and foreign exchange rate);
- Control assessment, policy compliance testing and periodic internal audit, and;
- Risk management governance, including risk oversight committee, policies and guidelines, and approval limits.

In addition, the Company monitors and manages the financial risks relating to the operations of the organization through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit / counterparty risk, liquidity risk as well as the underlying operational and legal & regulatory risks.

(a) Financial asset valuation basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. Fair values are determined at prices quoted in active markets. In our environment, such price information is typically not available for all instruments and the company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions could generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, analysed into Levels 1 to 3 based on the degree to which the fair value is observable.

31 December 2023		**Level 1**	**Level 2**	**Level 3**	**Total**
		N'000	N'000	N'000	N'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(a)	-	-	-	-
Total financial assets measured at fair value		**-**	-	**-**	**-**

The Equity instrument was fully disposed in the current year

Financial Risk Management (Cont'd)

31 December 2022		**Level 1**	**Level 2**	**Level 3**	**Total**
		N'000	N'000	N'000	N'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(a)	273,328	-	-	273,328
Total financial assets measured at fair value		**273,328**	**-**	**-**	**273,328**

Financial instruments not measured at fair value

IFRS 9 disclosures are provided for trade receivables, other receivables, trade payables, accruals and other payables that are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and current balances with banks and other short term investments.
The carrying amounts of current balances with banks and other financial institutions is a reasonable approximation of fair value which is the amount receivable on demand.

Financial assets at amortized cost

The fair value of held to maturity treasury bills are determined with reference to quoted prices in active market for identical assets, valued using market prices of individual securities at the reporting date. Where this information is not available, fair value is estimated using quoted market prices for securities with similar characteristics. The fair value of treasury bills is determined as quoted on the Financial Market Dealers Quotation (FMDQ).

Loans and receivables

Loans and receivables consist of staff mortgage loans. The estimated fair value of staff mortgage loans represents the market values of the loans, arrived at by recalculating the carrying amount of the loans using the estimated market rate. It represents a reasonable approximation of fair value.

Trade receivables and other receivables

The carrying amounts of trade receivables and other receivables are reasonable approximation of their fair values which are receivable on demand.

Trade payables, accruals and other payables

The carrying amounts of trade payables, accruals and other payables are reasonable approximation of their fair values which are repayable on demand.

(b) Risk Categorisation

The Company is exposed to the following categories of risk as a consequence of offering different financial products and services by the Company;

(i) Market risk

This reflects the possibility that the value of the Company's investments will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its financial assets and comprises of currency risk, interest rate risk and price risk.
The Company seeks to manage its exposures to risk through control techniques which ensure that the residual risk exposures are within acceptable tolerances agreed by the Board. A description of the risks associated with the Company’s principal products and the associated control techniques is detailed below;

Foreign Currency risk

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.
The Company accepts receipt of premiums in foreign currency, in addition to Naira, from its clients; hence, exposures to exchange rate fluctuations arise. The Company is exposed to foreign currency denominated in dollars through a domiciliary bank balance.

Foreign exchange risk arises from other recognised assets and liabilities denominated in currencies, other than the Naira.

The Company's net exposure to foreign exchange risk as at year end amounted to approximately N0.7 billion (2022: N1.05 billion) arising from USD, Pounds and Euro denominated cash and bank balances, financial assets and insurance liabilities.

Financial Risk Management (Cont'd)

The carrying amounts of the Company's foreign currency denominated assets and liabilities are as follows:

31 December 2023

	Pounds sterling	Euro	US Dollar	Total
	N'000	N'000	N'000	N'000
Assets				
Cash & cash equivalents	10,651	101,250	332,128	**444,029**
Financial assets (amortized cost))			1,028,279	**1,028,279**
Liabilities				
Insurance contract liabilities	-	-	(389,739)	**(389,739)**
	10,651	101,250	970,669	**1,082,569**

31 December 2022

	Pounds sterling	Euro	US Dollar	Total
	N'000	N'000	N'000	N'000
Assets				
Cash & cash equivalents	5,187	37,662	38,916	**81,765**
Financial assets (amortized cost)			1,028,279	**1,028,279**
Liabilities				
Insurance contract liabilities	-	-	(389,739)	**(389,739)**
	5,187	37,662	677,456	**720,305**

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

31 December 2023

	Base	Pounds sterling	Euro	US Dollars	Total
	N'000	N'000	N'000	N'000	N'000
10% increase	1,082,569	1,065	10,125	97,067	**108,257**
10% decrease	1,082,569	(1,065)	(10,125)	(97,067)	**(108,257)**
Impact of increase on:					
Shareholders' Equity	10,541,123	10,542,188	10,551,248	10,638,190	
Impact of decrease on:					
Shareholders' Equity	10,541,123	10,540,058	10,530,998	10,444,056	

31 December 2022

	Base	Pounds sterling	Euro	US Dollars	Total
	N'000	N'000	N'000	N'000	N'000
10% increase	720,305	519	3,766	67,746	**72,031**
10% decrease	720,305	(519)	(3,766)	(67,746)	**(72,031)**
Impact of increase on:					
Shareholders' Equity	9,155,360	9,155,879	9,159,126	9,223,106	
Impact of decrease on:					
Shareholders' Equity	9,155,360	9,154,841	9,151,594	9,087,614	

Financial Risk Management (Cont'd)

Interest rate risk

The Company's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates. Changes in interest rates result to reduction in income ‘spread’ or the difference between the amounts that the Company is required to pay under the contracts and the rate of return the Company is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Company's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of our liability cash flow profile.

Also, the Company manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate movements.

Furthermore, the Company uses sensitivity analytics to measure the impact of interest rate changes and movements on the value of our financial assets scenarios.

The Company exposure to interest rate risk is limited to changes in fixed income and money market instruments interest rates. These instruments have fixed interest rates.

Interest rate profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are as follows:

Financial instruments (Excluding ECL)	**Notes**	**31-Dec-23**	**31-Dec-22**
		N'000	N'000
Cash and cash equivalents	6	10,206,540	4,943,482
Financial assets (amortized cost)	7(b)	5,346,817	7,066,126
Staff loans	7(c)	-	-
Statutory deposits	12	500,000	500,000
		16,053,357	**12,509,608**

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

31 December 2023			**Interest rate**			**100 bp Increase**	**100 bp Decrease**
		Base ₦'000	**Average interest**	**+1%**	**-1%**	**₦'000**	**₦'000**
Interest income -placements	26(a)	611,264	13%	14%	12%	672,390	550,137
Interest income -financial assets (amortized cost)	26(a)	574,554	9%	10%	8%	632,009	517,099
Interest income - statutory deposits	26(a)	28,463	4%	5%	3%	31,309	25,617
Total interest income		**1,214,281**				1,335,709	1,092,853
Impact on interest income decrease(increase)						**(121,428)**	**121,428**

31 December 2022			**Interest rate**			**100 bp Increase**	**100 bp Decrease**
		Base ₦'000	**Average interest**	**+1%**	**-1%**	**₦'000**	**₦'000**
Interest income -placements	26(a)	276,658	13%	14%	12%	304,324	248,993
Interest income -financial assets (amortized cost)	26(a)	627,401	9%	10%	8%	690,142	564,661
Interest income - statutory deposits	26(a)	21,653	4%	5%	3%	23,819	19,488
Total interest income		**925,713**				1,018,284	833,142
Impact on interest income decrease(increase)						**(92,571)**	**92,571**

Other price risk management

The Company is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed securities that present the Company with opportunity for return through dividend income and capital appreciation.

The carrying amounts of the Company’s equity investments are as follows:

		31-Dec-23	**31-Dec-22**
		N'000	N'000
Equity Securities: - Listed	7(a)	-	273,328

Financial Risk Management (Cont'd)

Insurance risk: Sensitivity analysis

	Profit / Loss				Impact on Equity	
	Gross	Hedge	Reinsurance	Net	Gross	Net
	N'000	N'000	N'000	N'000	N'000	N'000
Base	- 5,639,074		2,593,052	- 3,046,023	- 5,639,074	- 3,046,023
5% increase in ultimate claims	- 281,954		129,653	- 152,301	- 281,954	- 152,301
5% decrease in ultimate claims	281,954		- 129,653	152,301	281,954	152,301

Equity price sensitivity analysis

The sensitivity analyses set out below show the impact of a 10% increase and decrease in the value of equities on loss before tax and shareholders' equity based on the exposure to equity

	Base	31-Dec-23	Base	31-Dec-22
	N'000	N'000	N'000	N'000
10% increase	-	-	273,328	27,333
10% decrease	-	-	273,328	(27,333)
<u>**Impact of increase on:**</u>				
Pre-tax profit/(loss)	1,385,763	1,385,763	31,106	31,106
Shareholders' equity	10,541,123	10,541,123	9,155,360	9,155,360
<u>**Impact of decrease on:**</u>				
Pre-tax profit/(loss)	1,385,763	1,385,763	182,963	155,630
Shareholders' equity	10,541,123	10,541,123	9,155,360	9,155,360

(ii) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance program and receivables from reinsurers and other intermediaries.

The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Reinsurance assets are reinsurers' share of outstanding claims and reinsurance receivables. They are allocated below on the basis of ratings for claims paying ability.

Loans and receivables from policyholders, agents and intermediaries generally do not have a credit rating.

The following table shows aggregated credit risk exposure for assets with external credit ratings (Fitch Rating Inc. and Global Credit rating - GCR):-

Analysis of financial assets based on credit risk grades:

31 December 2023	**Notes**	**AAA**	**A+**	**A-**	**B**	**B-**	**Not rated**	**Carrying Amount**
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Loans and receivables:								
- Staff loans	7(c)	-	-	-	-	-	-	-
- Other receivables	10(b)	-	-	-	-	-	82,299	**82,299**
- Trade receivables	8	-	-	-	-	-	-	-
- Reinsurance contract assets	9	-	-	-	-	-	3,319,884	**3,319,884**
Cash and cash equivalents:								
Cash and cash equivalents (less cash in hand)	6	-	-	-	-	9,622,861	-	**9,622,861**
Financial assets (at amortized cost)	7(b)	-	-	-	-	5,318,562	-	**5,318,562**
Statutory deposits	12	-	-	-	-	500,000	-	**500,000**
		-	-	-	-	**15,441,423**	**3,402,183**	**18,843,606**

31 December 2022	**Notes**	**AAA**	**A+**	**A-**	**B**	**B-**	**Not rated**	**Carrying Amount**
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Loans and receivables:								
- Staff loans	7(c)	-	-	-	-	-	-	-
- Other receivables	10(b)	-	-	-	-	-	81,850	**81,850**
- Trade receivables	8	-	-	-	-	-	-	**199,266**
- Reinsurance contract assets	9	-	-	-	-	-	2,730,005	**2,730,005**
Cash and cash equivalents:								
Cash and cash equivalents (less cash in hand and cash in transit)	6	36,722	1,885,044	388,898	1,627,760	1,005,924	-	**4,943,354**
Financial assets (at amortized cost)	7(b)	-	-	-	7,044,847	-	-	**7,044,847**
Statutory deposits	12	-	-	-	500,000	-	-	**500,000**
		36,722	**1,885,044**	**388,898**	**9,172,607**	**1,005,924**	**2,811,855**	**15,499,323**

Financial Risk Management (Cont'd)

Analysis of financial assets based on past due status

31 December 2023		**Loans and receivables** N'000	**Recoverable from coinsurers** N'000	**Recoverable from reinsurers** N'000	**Other receivables** N'000	**Trade receivables** N'000
Past due and impaired (specific)	9	-	91,325	-	64,931	-
Past due more than 90 days		-	-	-	-	-
Past due 31 to 90 days		-	-	-	-	-
Past due less than 30 days		-	-	-	-	-
Neither past due nor impaired	9,10	-	139,156	-	82,299	-
Expected Credit Loss		-	-	-	-	-
Total Carrying Amount		**-**	**230,481**	**-**	**147,230**	**-**

31 December 2022		**Loans and receivables** N'000	**Recoverable from coinsurers** N'000	**Recoverable from reinsurers** N'000	**Other receivables** N'000	**Trade receivables** N'000
Past due and impaired (specific)	9	-	91,325	-	64,931	-
Past due more than 90 days		-	-	-	-	-
Past due 31 to 90 days		-	-	-	-	-
Past due less than 30 days		-	-	-	-	-
Neither past due nor impaired		-	24,921	-	81,850	-
Expected Credit Loss		-	-	-	-	-
Total Carrying Amount		**-**	**116,246**	**-**	**146,781**	**-**

(iii) **Liquidity risk**

The Company's principal objective in managing our liquidity and our capital resources is to maximize the returns on capital to shareholders, while enabling us to pay claims, pay dividends, pay staff and fulfill our statutory obligations to our regulators and the different tiers of government in the environment in which we operate. Effective and prudent liquidity is a priority across the Company.

Management monitors the liquidity of Old Mutual General Insurance Company Nigeria Limited on a daily basis and projects the financial needs over a multi-year time horizon through quarterly budget and review process. We believe that the cash flows from the sources of fund available to the Company are sufficient to satisfy the current liquidity requirements of the Company, including under reasonably foreseeable stress scenarios.

In managing our liquidity (and of course our capital), we seek to:
- Match the profile of our assets and liabilities, taking into account the risks inherent in each line of product;
- Maintain financial strength to support new business growth whilst still satisfying the requirements of policyholders and regulators;
- Retain financial flexibility by maintaining strong liquidity; and
- Allocate liquid resources efficiently to support growth while we pay claims and other commitments promptly.

Sources of liquidity

In managing our cash flow position, we have a number of sources of liquidity, including the following principal sources:
- Premium Income;
- Investment income
- Investment maturities

Application of funds

The principal uses of our liquidity include:
- Payment of claims
- Payment of staff benefits;
- Purchase of investments; and
- Payment in connection with financing activities.

In practice, most of the Company's assets are marketable securities which could be converted into cash when required.

Maturity profile

The following table shows the Company's expected maturity for its non-derivative assets. The table has been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

It also shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance contract liabilities. It includes both interest and principal cash flows.

It should be noted that unit-linked assets and liabilities and reinsurers' share of unearned premiums are excluded from this analysis.

The following table details the Company's expected maturity for its non-derivative assets. The tables below have been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. Reinsurers' share of unearned premiums are excluded from this analysis.

Financial Risk Management (Cont'd)

31 December 2023	**Notes**	**Carrying amount**	**Contractual cashflow**	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**
Non-derivative financial assets		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	6	9,622,861	9,623,185	7,760,202	1,862,983	-	-	-
Financial assets (amortized cost)	7(b)	5,318,562	5,346,817	-	-	1,677,779	3,669,038	-
Fair value through profit or loss (FVTPL)	7(a)	-	-	-	-	-	-	-
Loans and receivables	7(c)	-	-	-	-	-	-	
Reinsurance assets - recoverable from reinsurers	9	139,156	-	-	**139,156**	-	-	-
Other receivables (less prepayments	10(b)	82,299	82,299	-	82,299	-	-	-
		15,162,878	**15,052,301**	**7,760,202**	**2,084,439**	**1,677,779**	**3,669,038**	**-**
Non-derivative financial liabilities								
Best estimate liability - LIC PAA (see (b) below)	13	3,250,066	3,250,066	62,540	1,863,313	408,079	916,134	-
Accruals & other payables	15	1,428,495	1,428,495	1,428,495	-	-	-	-
		4,678,561	**4,678,561**	**1,491,036**	**1,863,313**	**408,079**	**916,134**	**-**
Gap (asset - liabilities)		**10,484,317**	**10,373,740**	**6,269,166**	**221,126**	**1,269,700**	**2,752,904**	**-**
Cumulative liquidity gap				**6,269,166**	**6,490,292**	**7,759,992**	**10,512,896**	**10,512,896**

31 December 2022	**Notes**	**Carrying amount**	**Contractual cashflow**	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**
Non-derivative financial assets		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	6	4,943,469	4,943,482	3,080,499	1,862,983	-	-	-
Financial assets (amortized cost)	7(b)	7,044,847	7,066,126	-	-	1,677,779	5,388,346	-
Fair value through profit or loss (FVTPL)	7(a)	273,328	273,328	-	-	-	273,328	-
Loans and receivables	7(c)	-	-	-	-	-	-	
Reinsurance assets - recoverable from reinsurers	9	116,246	116,246	-	-	116,246	-	-
Other receivables (less prepayments	10(b)	81,850	81,850	-	81,850	-	-	-
		12,459,740	**12,481,031**	**3,080,499**	**1,944,833**	**1,794,025**	**5,661,675**	**-**
Non-derivative financial liabilities								
Trade payables	15							-
Liability for incurred claims (LIC)	13	3,037,840	1,528,994	62,540	1,651,086	408,079	916,134	-
Accruals & other payables	15	844,538	844,538	844,538	-	-	-	-
		2,521,581	**2,521,581**	**1,055,127**	**142,241**	**408,079**	**916,134**	**-**
Gap (asset - liabilities)		**10,371,010**	**10,483,626**	**2,025,372**	**1,802,592**	**1,910,121**	**4,745,540**	**-**
Cumulative liquidity gap				**2,025,372**	**3,827,964**	**5,738,085**	**10,483,626**	**10,483,626**

Although the Company has access to financing facilities, the Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets and other sources listed in "Sources of Liquidity" above.

(iv) Insurance risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Financial and Insurance Risk Management (Cont'd)

The Company writes fire, general accident, oil & gas, engineering, bond, marine and motor risks primarily over a twelve month duration (usually longer for engineering policies). The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The concentration of insurance by the location of the underlying risk is summarised below by reference to liabilities.

	Gross (Note 13)		Reinsurance (Note 9)		Net	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
	N'000	N'000	N'000	N'000	N'000	N'000
- Within Nigeria	6,880,198	5,851,656	3,319,884	2,730,006	3,560,314	2,588,406
- Outside Nigeria	-	-	-	-	-	-
Total	**6,880,198**	**5,851,656**	**3,319,884**	**2,730,006**	**3,560,314**	**2,588,406**

The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

	Gross		**Reinsurance**		**Net**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Liability for Incurred claims	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Fire	1,177,028	955,132	476,113	418,169	700,915	536,963
Accident	443,142	322,174	92,266	39,002	350,876	283,173
Motor	846,201	171,861	434	8,526	845,766	163,334
Marine	90,485	150,852	40,344	57,147	50,141	93,705
Aviation			-	-	-	-
Oil and Gas	817,444	1,746,948	841,440	1,010,329	(23,996)	736,619
Engineering	307,831	380,239	211,230	237,209	96,601	143,030
Bond	-	-	-	-	-	-
Total	**3,682,131**	**3,727,206**	**1,661,828**	**1,770,382**	**2,020,303**	**1,956,823**

	Gross		**Reinsurance**		**Net**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Liability for Remaining Coverage	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Fire	633,983	593,644	94,100	60,943	539,883	532,701
Accident	90,822	89,412	7,598	445	83,224	88,967
Motor	450,536	483,825	55,598	2,265	394,938	481,560
Marine	113,974	93,386	116,815	19,411	(2,841)	73,975
Aviation	-	-	-	-	-	-
Oil and Gas	1,804,188	782,992	1,340,494	840,967	463,693	(57,975)
Engineering	104,565	81,191	43,452	35,593	61,113	45,597
Bond	-	-	-	-	-	-
Total	**3,198,067**	**2,124,450**	**1,658,056**	**959,624**	**1,540,010**	**1,164,827**

Financial and Insurance Risk Management (Cont'd)

Outstanding claims on insurance contracts
Outstanding claim represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position.

(a) Methodology
The default measurement approach specified by the IFRS 17 Standard is the Premium Allocation Approach (“PAA”). This applies to insurance contracts issued as well as reinsurance contracts issued and held.
Where the contract boundary is one year or less, an entity has the unrestricted option to choose whether to apply the simplified approach called the Premium Allocation Approach which shall be referred to as “PAA”. Contracts with a contract boundary greater than one year do not automatically qualify for the PAA but, where the entity does not expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred, the PAA may be applied in accordance with IFRS 17.53. As discussed with Management, all groups are assumed to use the PAA classification.

(i) Inflation
Claims paid amounts have not been explicitly adjusted for inflation but rather, the inflation which is implied by historical claims paid data has been assumed to continue into the future.
Whilst inflation has been volatile in Nigeria over the past number of years, QED Actuaries & Consultants (Pty) Ltd (QED) recommends that inflation is monitored frequently and inflation adjusted numbers be considered in the future.

(ii) Discounting
According to IFRS 17 Standards, an entity should adjust the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates used are based on the yield curves provided by the Nigerian Actuarial Society. It is assumed that all policies are nearly-liquid and do not require a liquidity risk premium. The LIC cash flows are to be discounted for portfolios which take more than one year to be settled. This applies to all portfolios.

(iii) Reserving Methods and Assumptions - 31 December 2023
The volume of data in the reserving classes influenced the methodologies used. Three (3) methods were used for the projection of claims;

(a) The Basic Chain Ladder Method (BCL)
Development factors were calculated using the last eleven years of data by accident year. Within the data there were some movements in the older years’ accident periods. QED used this development where possible to allow for some development in claims paid over the past eleven years.

Ultimate development factors are calculated for each of the permutations. Development patterns are selected taking into account the stability of the loss ratios between accident periods for a development period as well as considering whether there seems to be a change in development, for example, a quickening in the rate that claims are paid.

Ultimate development factors are applied to the paid data per accident year and an ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year.

For cases where there were extreme large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve was excluded` from the calculation of the IBNR.
i.e IBNR = Ultimate claim amount (excluding extreme large losses) - Paid claims to date (excluding extreme large losses) - Claims outstanding (excluding extreme large losses).

Assumptions underlying the BCL
The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. claims reported to date will continue to develop in a similar manner in the future. An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed. A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits. If any of these assumptions are invalidated, the results of the reserving exercise may prove to be inaccurate.

(b) The loss ratio method
This method is used for classes with limited claim payments or history and therefore a BCL method would be inappropriate. We allow for expected experience to date within the assumed average ultimate loss ratios in carrying out the calculation.
The IBNR is then calculated as;
Expected average ultimate annual loss ratio * earned premium - experience to date.

Assumptions underlying the loss ratio method
An estimate of the average ultimate loss ratio needs to be assumed. This was based on estimated average loss ratio on claims experience to date for previous accident years where claims data was available. For classes of business where no claims data is available, an average loss ratio that is experienced in the industry was used.
QED advised Old Mutual Nigeria’s underwriters to capture what they expect the ultimate loss ratio to be for a specific accident year and class of business at the time that the policy is written. This will also provide insight into whether classes of business are running at the loss ratios that are assumed within the pricing of the business.

Financial and Insurance Risk Management (Cont'd)

However, QED is reasonably comfortable that the assumptions would be appropriate if no business or key processes have changed over the previous three accident years. QED does conduct a reasonability check on the loss ratios by comparing the loss ratios to industry figures. If the average loss ratios are not indicative of future experience the IBNR calculated could be under- or over-estimated.

(c) A Bornheutter Ferguson method.

The initial development of each loss semester is typically subject to volatility as the cumulative data is sparse. This volatility may cause the estimates of ultimate claims produced by the Basic Chain-Ladder method to be misleading. For this reason, an alternative estimate of the ultimate claims is produced for the more recent loss years using a technique known as the Bornhuetter-Ferguson method. This method requires estimates of the ultimate loss ratio for each loss year and the accompanying gross earned premium. The intermediate (or “initial”) estimates of ultimate claims are obtained by applying the ultimate loss ratio to the earned premiums. The selected ultimate loss ratio is a weighted average of the initial ultimate loss ratio and the Chain Ladder ultimate loss ratio.

	2023	2022
Liability for Incurred claims	**N'000**	**N'000**
Fire	1,177,028	955,132
Accident	443,142	322,174
Motor	846,201	171,861
Marine	90,485	150,852
Aviation	-	-
Oil and Gas	817,444	1,746,948
Engineering	307,831	380,239
Bond	-	-
Total	**3,682,131**	**3,727,206**

	2023	2022
Liability for Remaining Coverage	**N'000**	**N'000**
Fire	633,983	593,644
Accident	90,822	89,412
Motor	450,536	483,825
Marine	113,974	93,386
Aviation	-	-
Oil and Gas	1,804,188	782,992
Engineering	104,565	81,191
Bond	-	-
Total	**3,198,067**	**2,124,450**

Financial Risk Management (Cont'd)

Sensitivity analysis.

The cumulative triangulations that were used in the reserve report as at 31 December 2023 carried-out by QED Actuaries & Consultants (Pty) Ltd (QED) for the three classes where triangulation methods were used, i.e. for Fire, General Accident and Motor. The triangulations including and excluding exceptionally large losses are shown below

Claims paid triangulation as at 31 December 2023 including large losses.

Fire

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2012	341	12,644	4,953	5,846	-	-	-	-	-	-	-	
2013	4,168	15,756	4,701	-	-	-	-	-				
2014	14,106	18,383	1,750	1,008	24	28	-	-				
2015	34,635	9,432	4,292	1,758	325	-	-	251				
2016	21,715	29,883	8,650	830	3,689	2,375	899	-				
2017	37,573	24,933	9,330	36,390	20,638	736	518	-				
2018	28,209	30,850	12,150	1,464	119	32	-	-				
2019	47,489	20,801	9,287	172	1,787	-	-	-				
2020	31,799	75,171	16,078	8,227	-	-	-	-				
2021	53,046	27,836	3,177	-	-	-	-	-				
2022	57,698	35,949	-	-	-	-	-	-				
2023	60,727											

General Accident

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2012	2,111	14,831	1,963	5,611	-	-	-	-	-	-	-	
2013	8,398	19,086	5,464	66	-	-	30	18	-	-		
2014	7,880	23,146	3,257	4,117	608	820	861	1,272	-	14		
2015	19,297	25,665	9,196	4,371	4,442	572	1,147	-	86			
2016	21,750	40,271	16,298	4,583	582	2,421	-	36				
2017	23,517	35,768	11,905	3,340	5,145	656	238	-				
2018	14,632	12,157	1,218	1,624	1,224	1,801	-	-				
2019	9,024	16,324	7,120	6,616	383	-	-	-				
2020	10,732	23,176	11,847	3,549	-	-	-	-				
2021	13,276	18,559	13,095	-	-	-	-	-				
2022	21,807	37,079	-	-	-	-	-	-				
2023	38,686											

Financial Risk Management (Cont'd)

Motor

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2012	33,431	19,595	405	-	-	804	-	-	-	-	-	
2013	35,461	10,119	-	-	-	-	-	-	-	-		
2014	43,382	22,581	159	842	2,109	1,250	-	-	-			
2015	88,192	56,372	1,846	3,109	3,225	-	-	104				
2016	91,313	26,728	10,543	477	-	1,267	117	-				
2017	109,619	22,658	1,789	-	1,596	1,148	1,330	-				
2018	111,187	23,588	751	-	137	2,250	-	-				
2019	144,202	19,351	2,295	3,417	-	-	-	-				
2020	124,586	36,339	7,101	3,045	-	-	-	-				
2021	194,792	50,544	4,195	-	-	-	-	-				
2022	233,533	67,788	-	-	-	-	-	-				
2023	203,021											

Claims paid triangulation as at 31 December 2022 including large losses.

Fire

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2011	3,460,026	1,784,114	2,932,355	54,668	417,432	4,622,683	-	-				
2012	341,125	12,644,151	4,953,476	5,845,961	-	-	-	-				
2013	4,167,530	15,756,340	4,700,926	-	-	-	-	-				
2014	14,105,605	18,383,307	1,750,299	1,008,120	24,159	28,298	-	-				
2015	34,634,781	9,432,444	4,291,926	1,757,793	324,609	-	-	250,821				
2016	21,715,303	29,882,541	8,649,636	829,928	3,688,904	2,374,587	898,939					
2017	37,572,933	24,933,261	9,329,516	36,390,069	20,638,235	735,851						
2018	28,208,748	30,850,216	12,150,206	1,464,431	118,658							
2019	47,489,126	20,800,848	9,287,430	172,226								
2020	31,799,070	75,171,042	16,077,726									
2021	53,046,268	27,835,701										
2022	57,697,873											

Financial Risk Management (Cont'd)

General Accident

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2011	13,849,867	16,373,909	8,676,659	8,126,883	1,691,097	400,326	-	-				
2012	2,111,234	14,831,276	1,963,011	5,611,007	-	-	-	-				
2013	8,397,871	19,085,755	5,463,650	65,588	-	-	29,579	18,454				
2014	7,880,269	23,146,130	3,256,629	4,116,701	607,649	820,224	861,416	1,271,817				
2015	19,296,518	25,664,893	9,196,140	4,370,633	4,441,655	572,267	1,146,988	-				
2016	21,750,406	40,270,510	16,298,000	4,583,457	582,416	2,421,171	-					
2017	23,516,853	35,768,386	11,904,532	3,339,821	5,144,536	655,793						
2018	14,631,628	12,157,393	1,217,816	1,623,621	1,224,307							
2019	9,023,941	16,324,149	7,119,796	6,616,238								
2020	10,731,679	23,175,845	11,847,442									
2021	13,275,881	18,558,904										
2022	21,807,045											

Motor

	Development Year											
Accident Period	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2011	60,101,311	36,732,508	2,671,830	-	775,000	-	-	-				
2012	33,431,464	19,594,576	405,199	-	-	804,101	-	-				
2013	35,461,259	10,118,927	-	-	-	-	-	-				
2014	43,382,184	22,580,861	158,575	841,648	2,108,869	1,250,000	-	-				
2015	88,192,078	56,372,114	1,845,675	3,108,875	3,225,000	-	-	103,500				
2016	91,312,947	26,728,374	10,543,206	476,560	-	1,266,713	117,200					
2017	109,618,747	22,658,247	1,789,162	-	1,595,586	1,147,504						
2018	111,186,604	23,588,073	751,085	-	137,000							
2019	144,201,578	19,351,043	2,295,275	3,417,269								
2020	124,586,125	36,339,062	7,101,174									
2021	194,791,896	50,544,316										
2022	233,532,850											

Financial Risk Management (Cont'd)

(c) Capital Management

Capital is actively managed with a focus on capital efficiency and effective risk management. The Company's objective with respect to capital management is to ensure that the Company is properly capitalised and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

The Capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management. The Company also has 0% coupon preference shares which are mandatorily convertible to ordinary shares on a set date (see Note 19).

The capital adequacy of the Company is reviewed regularly to meet regulatory requirements and standard of international best practices in order to adopt and implement decisions necessary to maintain the capital at a level that ensures the realization of the business plan with a certain safety margin.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Company is above the minimum threshold. The minimum regulatory capital for general insurers in Nigeria is N3 billion.

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.

The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, whichever is greater.

The Company's solvency position is as follows:

Solvency margin computation

	31-Dec-23			31-Dec-22
Admissible Assets	**Total N'000**	**Inadmissible N'000**	**Admissible N'000**	**Admissible N'000**
Cash and cash equivalents	9,622,861	-	9,622,861	4,943,469
Other financial assets:				
- Fair value through profit or loss	-	-	-	273,328
- At amortized cost	5,901,917	-	5,901,917	7,044,847
- Loans and receivables	-	-	-	-
Trade receivables	150,250	-	150,250	199,266
Deferred acquisition cost	-	-	-	313,057
Reinsurance assets	3,319,884	-	3,319,884	2,949,151
Other receivables and prepayments	-	470,623	-	-
Investment properties	-	-	-	-
Property and equipment	136,279	-	136,279	187,273
Statutory deposit	500,000	-	500,000	500,000
Intangible Asset	29,896	-	29,896	**29,896**
	19,661,087	**470,623**	**19,661,087**	**16,440,287**
Less: Admissible liabilities				
Insurance liabilities	6,880,198	-	6,880,198	5,438,728
Trade payables	-	-	-	172,555
Accruals and other payables	2,660,259	-	2,660,259	1,263,680
Income tax payable	50,130	-	50,130	40,776
Deferred tax liabilities	-	-	-	-
	9,590,587	-	**9,590,587**	**6,915,739**
Solvency margin (A-B)			**10,070,500**	**9,524,548**
Minimum paid up capital			3,000,000	3,000,000
Net premium			3,276,804	3,035,809
15% of Net premium			**491,521**	**455,371**

The Company's solvency margin of N10.07 billion as at 31 December 2023 (2022: N9.52 billion) is above the minimum capital of N3 billion prescribed by the Insurance Act of Nigeria.

Financial Risk Management (Cont'd)

(d) Financial assets and liabilities
Accounting classification, measurement basis

The table below sets out the Company's classification of each class of financial assets and liabilities and their fair values.

31 December 2023

	Notes	Amortized Cost	Fair value through profit or loss	Fair value through OCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	6	9,622,861	-	-	-	9,622,861	9,911,547
Financial assets	7	5,318,562	-	-	-	5,318,562	5,478,119
Reinsurance assets	9	3,319,884	-	-	-	3,319,884	3,419,481
Other receivables less prepayments	10	344,044	-	-	-	344,044	354,365
Statutory deposits	12	500,000	-	-	-	500,000	500,000
		19,105,351	-	-	-	**19,105,351**	**19,663,512**
Trade payables	14	-	-	-	-	-	-
Other payables	15				1,428,495	1,428,495	1,471,350
		-	-	-	1,428,495	1,428,495	1,471,350

31 December 2022

	Notes	Amortized cost	Fair value through profit or loss	Fair value through OCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	6	4,943,469	-	-	-	4,943,469	5,091,773
Financial assets	7	7,044,847	273,328	-	-	7,318,176	7,537,721
Reinsurance assets	9	2,730,005	-	-	-	2,949,151	3,037,625
Other receivables less prepayments	10	81,850	-	-	-	81,849	84,305
Statutory deposits	13	500,000	-	-	-	500,000	500,000
		15,300,171	**273,328**	-	-	**15,792,645**	**16,251,424**
Trade payables	15	-	-	-	172,555	172,555	177,732
Other payables	16				820,032	820,032	844,633
		-	-	-	**992,587**	**992,587**	**992,587**

Notes to the financial statements (cont'd)

6 **Cash and cash equivalents**

	31-Dec-23	31-Dec-22
	N'000	N'000
Cash in hand	115	115
Balances held with banks in Nigeria	2,050,215	749,430
Placements with financial institutions ((see (a) below)	7,572,532	4,193,924
	9,622,861	**4,943,469**
Provision for expected credit loss (cash) allowance		
Maturity profile of cash and cash equivalent		
Less than 3 months	9,622,861	4,943,469
Greater than 3 months and less than 12 months	-	-
	9,622,861	**4,943,469**

(a) Placements with financial institutions comprise deposits with maturity of less than 90 days from the value date of the instruments.

Placements with financial institutions	7,572,856	4,193,937
Expected Credit Loss Allowance	(324)	(13)
	7,572,532	**4,193,924**

(i) Movement in ECL allowance for Cash and cash equivalent

Opening balance	(13)	**(6,850)**
(Increase)/decrease during the year	(311)	6,837
Closing balance	**(324)**	**(13)**

7 **Financial assets**

The Company's financial assets are summarised below by measurement category in the table below.

	31-Dec-23	31-Dec-22
	N'000	N'000
Investment securities - Fair value through profit or loss (FVTPL) (see (a) below)	-	273,328
Investment securities - at amortized cost (see (b) below)	5,318,562	7,044,847
Treasury bills	583,355	-
	5,901,917	**7,318,175**
Greater than 3 months and less than 12 months	1,677,779	1,656,500
Greater than 12 months	3,669,038	5,388,346
	5,901,917	**7,044,847**

(a) **Fair value through profit or loss (FVTPL)**

Quoted equities:		
At 1 January	273,328	239,427
Fair value gain/(loss) (see note 28(c))	46,891	35,985
Equity disposal during the year	(320,219)	(2,085)
	-	**273,328**

Notes to the financial statements (cont'd)

(b) **Investment securities - At amortized Cost**

FGN & Euro Bonds	5,346,817	7,066,126
	5,346,817	**7,066,126**
Expected Credit Loss Allowance	(28,255)	(21,278)
	5,318,562	**7,044,847**

The movement in investments held at amortized cost is as shown below

Balance, at 1 January	7,066,126	7,836,988
Value of investment disposed	(7,066,126)	(7,836,988)
Additions during the year	5,588,220	7,254,681
Investment income (see note 28(a))	574,554	627,401
Investment income received	(815,957)	(815,957)
Balance at 31 December	**5,346,817**	**7,066,126**

(i) Movement in ECL allowance for financial assets

Opening balance	(21,278)	(23,356)
(Increase)/decrease during the year	(6,977)	2,078
Closing balance	**(28,255)**	**(21,278)**

(c) Treasury bills

	31-Dec-23	**31-Dec-22**
	N'000	N'000
Treasury bills	583,355	-
Expected Credit Loss Allowance	-	
	583,355	**-**

Treasury bills with maturity of less than 90 days comprise financial instruments with maturity of less than 90 days from the date of the financial statement.

	31-Dec-23	**31-Dec-22**
	N'000	N'000
8 **Premium receivable**	**150,250**	**199,266**

Age analysis of gross trade receivables are as follows

0-30 days	150,250	199,266
Above 30 days	-	-
	150,250	**199,266**

The Company has put strict controls and practices in place in order to collect all amounts due from brokers prior to the reporting date.

(a) Recconciliation of premium received and receivable

	31-Dec-23	**31-Dec-22**
	N'000	N'000
At 1 January	199,266	10,060
Gross Premium Written	8,379,798	6,371,604
Premium received in advance	(277,381)	(110,086)
Premium received during the year	(8,151,433)	(6,072,311)
At 31 December	**150,250**	**199,266**

9 **Reinsurance Contract Assets - Summary**

	Dec-23 N'000	**Dec-22 N'000**	**Jan-22 N'000**
	Reinsurance Contracts Held		
Asset remaining coverage - ARC:			
Asset remaining coverage: Excluding Loss Components	1,488,313	845,822	936,392
Loss components	169,745	113,801	70,286
Total - Asset remaining coverage	**1,658,058**	**959,623**	**1,006,677**
Asset Incurred Claims - AIC:			
Incurred claims / PV of future cash flows	1,464,279	1,452,890	1,316,983
Risk Adjustment - PAA	197,546	317,492	65,352
Total - Asset Incurred Claims	**1,661,825**	**1,770,382**	**1,382,336**
Total Reinsurance contract Assets	**3,319,884**	**2,730,005**	**2,389,013**

Reinsurance contracts held – (under PAA) The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.The coverage period of reinsurance contracts held by the Company have either a coverage period of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA. See further details on the accounting policies applied for insurance contracts measured under PAA.

31-Dec-23	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Loss recovery component	Incurred claims component: Estimates of PV of of future cash flow	Incurred claims component: Risk Adjustment for Non-Financial Risk	Total
Reinsurance contract assets as of January 1, 2023	845,822	113,801	1,452,890	317,492	2,730,005
Reinsurance contract liabilities as of January 1, 2023	-	-	-	-	-
Net Reinsurance contracts as of January 1, 2023	**845,822**	**113,801**	**1,452,890**	**317,492**	**2,730,005**
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(3,817,898)		-	-	(3,817,898)
Amounts recovered from reinsurers	-	-	-	-	
Recoveries on incurred claims and other incurred reinsurance service expense	-		1,491,282	(119,946)	1,371,336
Recoveries/(reversals of recoveries) on onerous contracts	-	55,944	-		55,944
Net expenses from reinsurance contracts held	**(3,817,898)**	**55,944**	**1,491,282**	**(119,946)**	**(2,390,618)**
Finance income from reinsurance contracts recognised in profit or loss	-	-	168,849	-	168,849
Total Changes in the statement of profit or loss	**(2,972,076)**	**169,745**	**3,113,022**	**197,546**	**(2,221,768)**
Cash flows					
Reinsurance premiums paid	4,460,389	-	-	-	4,460,389
Amounts received from reinsurers relating to incurred claims	-	-	(1,648,742)	-	(1,648,742)
Total cash flows	**4,460,389**	**-**	**(1,648,742)**	**-**	**2,811,647**
Reinsurance contracts assets as of December 31, 2023	**1,488,313**	**169,745**	**1,464,279**	**197,546**	**3,319,884**
Reinsurance contract liabilities as of December 31, 2023	**-**	**-**	**-**	**-**	**-**
Net Reinsurance contracts as of December 31, 2023	**1,488,313**	**169,745**	**1,464,279**	**197,546**	**3,319,884**

31-Dec-22	Remaining coverage component: Excluding loss recovery component	Remaining coverage component: Loss recovery component	Incurred claims component: Estimates of PV of of future cash flow	Incurred claims component: Risk Adjustment for Non-Financial Risk	Total
Reinsurance contract assets as of January 1, 2022	936,392	70,286	1,316,983	65,352	2,389,013
Reinsurance contract liabilities as of January 1, 2022	-	-	-	-	-
Net opening balance	**936,392**	**70,286**	**1,316,983**	**65,352**	**2,389,013**
Changes in the statement of profit or loss					
Allocation of reinsurance premiums paid	(3,169,587)		-	-	(3,169,587)
Amounts recovered from reinsurers	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expense	-		813,059	252,140	1,065,198
Recoveries/(reversals of recoveries) on onerous contracts	-	43,516	-	-	43,516
Net expenses from reinsurance contracts held	(3,169,587)	43,516	813,059	252,140	(2,060,872)
Finance income from reinsurance contracts recognised in profit or loss			119,891		119,891
Total Changes in the statement of profit or loss	**(3,169,587)**	**43,516**	**932,950**	**252,140**	**(1,940,981)**
Cash flows					
Premiums paid	3,079,017	-	-	-	3,079,017
Amounts received from reinsurers relating to incurred claims	-	-	(797,043)	-	(797,043)
Total cash flows	**3,079,017**	**-**	**(797,043)**	**-**	**2,281,974**
Reinsurance contracts assets as of December 31, 2022	**845,822**	**113,801**	**1,452,891**	**317,492**	**2,730,005**
Reinsurance contract liabilities as of December 31, 2022	**-**	**-**	**-**	**-**	**-**
Net Reinsurance contracts as of December 31, 2022	**845,822**	**113,801**	**1,452,891**	**317,492**	**2,730,005**

10 **Other receivables and prepayment**

	31-Dec-23	31-Dec-22
Prepayments (see (a) below)	126,579	81,375
Other receivables (see (b) below)	82,299	81,850
Co-insurance receivable on paid claims	139,156	116,246
Minimum & Deposit premium	213,913	98,413
Less impairment of coinsurance receivable	(91,325)	(91,325)
	470,623	**286,559**
Within one year	470,623	286,559
More than one year	-	-
	470,623	**286,559**

(a) **Prepayment**

	31-Dec-23	31-Dec-22
Prepaid rent	44,494	49,539
Other prepayments	82,085	31,835
	126,579	**81,375**

Other prepayments relate to health and life insurance premiums paid in advance.

(b) **Other Receivables**

	31-Dec-23	31-Dec-22
Travel advances	-	505
Dividend receivable	819	20,112
Other receivables	146,411	126,163
	147,230	**146,781**
Less impairment	(64,931)	(64,931)
	82,299	**81,850**

Other receivables represents N75million witholding tax receivable and N71.4 million receivable from Aquila Leasing Limited on the fund placed with the entity. As at the reporting date, the placement is in default. A life time ECL equal to the default amount has been provisioned.

Notes to the financial statements (cont'd)

11 **Property and equipment**

	Computer Equipment	Furniture and Fittings	Motor Vehicles	Office Equipment	Total
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
11(a) Cost					
At 1 January 2023	143,630	75,716	268,226	21,610	509,182
Additions	8,385	(423)	-	8,609	16,571
Disposals	-	-	-	-	-
At 31 December 2023	**152,015**	**75,293**	**268,226**	**30,219**	**525,753**
At 1 January 2022	129,165	45,700	254,163	18,727	447,755
Additions	14,960	30,016	63,158	3,003	111,137
Disposals	(495)	-	(49,095)	(120)	(49,710)
At 31 December 2022	**143,630**	**75,716**	**268,226**	**21,610**	**509,182**

Accumulated depreciation

	Computer Equipment	Furniture, Fittings	Motor Vehicles	Office Equipment	Total
At 1 January 2023	(115,664)	(47,569)	(143,819)	(14,858)	(321,910)
Charge for the year (see note 31(a))	(12,226)	(6,834)	(46,283)	(2,222)	(67,565)
Disposals	-	-		-	-
At 31 December 2023	**(127,890)**	**(54,403)**	**(190,101)**	**(17,080)**	**(389,474)**
At 1 January 2022	(103,827)	(41,575)	(147,219)	(13,096)	(305,717)
Charge for the year	(12,332)	(5,993)	(45,694)	(1,882)	(65,902)
Disposals	495	-	49,095	120	49,710
At 31 December 2022	**(115,664)**	**(47,569)**	**(143,819)**	**(14,858)**	**(321,910)**
Carrying amounts:					
At 31 December 2023	**24,125**	**20,890**	**78,124**	**13,139**	**136,279**
At 31 December 2022	**27,966**	**28,147**	**124,407**	**6,752**	**187,273**

(i) The gross carrying amount of fully depreciated property,plant and equipment that is still in use is N136 million (2022:N187 million).

(ii) No items of property, plant and equipment was pledge as security.
(iii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year, (2022: nil)
(iv) In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the
(v) The Company had no capital commitments as at the reporting date, (2022: nil)
(vi) An impairment assessment was conducted and no impairment was identified.

11(b) Intangible assets

	Software	WIP	Total
	N'000	**N'000**	**N'000**
Cost:			
At 1 January	14,453	29,896	44,349
Additions during the year	-	-	-
Disposals/write-off during the year	-	-	-
At 31 December	**14,453**	**29,896**	**44,349**
Accummulated Amortisation			
At 1 January	(14,453)	-	(14,453)
Charge for the year	-	-	-
Disposals/write-back during the year	-	-	-
At 31 December	**(14,453)**	**-**	**(14,453)**
Carrying Amount:			
At 1 January	-	**29,896**	**29,896**
At 31 December	-	**29,896**	**29,896**

(i) The intangible assets are not readily available for use as at the end of the year.

Notes to the financial statements (cont'd)

for the year ended 31 December 2023

(c) The Company made a profit of N0 million (2022: N19.0 million) from disposal of assets in the financial year. This is as shown below:

	31-Dec-23	31-Dec-22
	₦'000	₦'000
Sales proceed	-	19,476
Net book value	-	(438)
Profit on disposal (see note 29)	-	19,038

12 **Statutory deposits**

In line with section 10 (3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital is kept with the Central Bank of Nigeria. The amount held will increase or decrease in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance does not qualify as cash and cash equivalents.

	31-Dec-23	31-Dec-22
	N'000	N'000
Deposits with CBN	500,000	500,000
Within one year	-	-
More than one year	500,000	500,000
	500,000	500,000

13 Insurance Contract Liability - Summary	Dec-23 N'000	Dec-22 N'000	Jan-22 N'000
	Insurance Contracts Issued		
Liability for remaining coverage (LRC):			
(LRC) and the ARC: Excluding Loss Components	2,838,497	1,830,781	1,747,284
Loss components	359,570	293,669	137,738
Total - Liability for remaining coverage	**3,198,067**	**2,124,450**	**1,885,022**
Liability for Incurred Claims (LIC):			
Incurred claims / PV of future cash flows	3,250,067	3,037,840	2,680,757
Risk Adjustment - PAA	432,064	689,364	184,954
Total - Liability for Incurred Claims	**3,682,131**	**3,727,204**	**2,865,711**
Total Insurance contract liabilities	**6,880,198**	**5,851,654**	**4,750,733**

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under PAA for Dec 2023

13(a)

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Aggregated	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	1,830,781	293,669	3,037,840	689,364	**5,851,654**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	**1,830,781**	**293,669**	**3,037,840**	**689,364**	**5,851,654**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(7,094,701)	-	-	-	**(7,094,701)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	2,437,939	274,400	**2,712,338**
Adjustments to liabilities for incurred claims	-	-	909,474	(531,700)	**377,773**
Losses on onerous contracts	-	65,901	-	-	**65,901**
Amortisation of insurance acquisition cash flows	2,294,997	-	-	-	**2,294,997**
	2,294,997	**65,901**	**3,347,413**	**(257,301)**	**5,451,010**
Insurance service result	**(4,799,704)**	**65,901**	**3,347,413**	**(257,301)**	**(1,643,691)**
Finance Income/(expense) from insurance contracts			344,058		**344,058**
Total Changes in the statement of profit or loss	**(4,799,704)**	**65,901**	**3,691,471**	**(257,301)**	**(1,299,633)**
Cash flows					
Premiums received	8,151,433	-	-	-	**8,151,433**
Insurance acquisition cash flows paid	(2,344,014)	-	-	-	**(2,344,014)**
Claims and other insurance service expenses paid	-	-	(3,479,244)	-	**(3,479,244)**
Total cash flows	**5,807,420**	**-**	**(3,479,244)**	**-**	**2,328,176**
Insurance contract liabilities as at Dec 2023	**2,838,497**	**359,570**	**3,250,067**	**432,064**	**6,880,198**
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**2,838,497**	**359,570**	**3,250,067**	**432,064**	**6,880,198**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Motor	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	410,959	74,936	167,657	4,203	**657,756**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	**410,959**	**74,936**	**167,657**	**4,203**	**657,756**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(1,249,967)	-	-	-	**(1,249,967)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	882,925	8,350	**891,275**
Adjustments to liabilities for incurred claims	-	-	558,065	(2,975)	**555,090**
Losses on onerous contracts	-	(68,421)	-	-	**(68,421)**
Amortisation of insurance acquisition cash flows	351,780	-	-	-	**351,780**
	351,780	**(68,421)**	**1,440,990**	**5,375**	**1,729,724**
Insurance service result	**(898,187)**	**(68,421)**	**1,440,990**	**5,375**	**479,757**
Finance Income/(expense) from insurance contracts			20,980		**20,980**
Total Changes in the statement of profit or loss	**(898,187)**	**(68,421)**	**1,461,971**	**5,375**	**500,737**
Cash flows					
Premiums received	1,426,226	-	-	-	**1,426,226**
Insurance acquisition cash flows paid	(494,977)	-	-	-	**(494,977)**
Claims and other insurance service expenses paid	-	-	(793,006)	-	**(793,006)**
Total cash flows	**931,249**	**-**	**(793,006)**	**-**	**138,243**
Insurance contract liabilities as at Dec 2023	444,021	6,515	836,622	9,579	1,296,735
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**444,021**	**6,515**	**836,622**	**9,579**	**1,296,735**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Fire	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	502,707	92,662	847,356	107,776	**1,550,500**
Insurance contract Assets as at 1 January					
Net Opening Balance	502,707	92,662	847,356	107,776	**1,550,500**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(2,691,306)	-	-	-	**(2,691,306)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	992,573	160,360	**1,152,932**
Adjustments to liabilities for incurred claims	-	-	369,335	(54,774)	**314,560**
Losses on onerous contracts	-	39,062	-	-	**39,062**
Amortisation of insurance acquisition cash flows	775,273	-	-	-	**775,273**
	775,273	**39,062**	**1,361,908**	**105,585**	**2,281,827**
Insurance service result	**(1,916,033)**	**39,062**	**1,361,908**	**105,585**	**(409,478)**
Finance Income/(expense) from insurance contracts			127,608		**127,608**
Total Changes in the statement of profit or loss	**(1,916,033)**	**39,062**	**1,489,516**	**105,585**	**(281,870)**
Cash flows					
Premiums received	2,654,613	-	-	-	**2,654,613**
Insurance acquisition cash flows paid	(739,028)	-	-	-	**(739,028)**
Claims and other insurance service expenses paid	-	-	(1,373,204)	-	**(1,373,204)**
Total cash flows	**1,915,585**	**-**	**(1,373,204)**	**-**	**542,380**
Insurance contract liabilities as at Dec 2023	502,259	131,724	963,667	213,361	1,811,011
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**502,259**	**131,724**	**963,667**	**213,361**	**1,811,011**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
General Accident	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	74,874	4,924	321,480	694	**401,972**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	74,874	4,924	321,480	694	**401,972**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(664,674)	-	-	-	**(664,674)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	170,332	5,185	**175,516**
Adjustments to liabilities for incurred claims	-	-	220,363	5,334	**225,697**
Losses on onerous contracts	-	(4,922)	-	-	**(4,922)**
Amortisation of insurance acquisition cash flows	235,877	-	-	-	**235,877**
	235,877	**(4,922)**	**390,695**	**10,519**	**632,168**
Insurance service result	**(428,798)**	**(4,922)**	**390,695**	**10,519**	**(32,506)**
Finance Income/(expense) from insurance contracts			31,721		**31,721**
Total Changes in the statement of profit or loss	**(428,798)**	**(4,922)**	**422,416**	**10,519**	**(785)**
Cash flows					
Premiums received	675,274	-	-	-	**675,274**
Insurance acquisition cash flows paid	(230,530)	-	-	-	**(230,530)**
Claims and other insurance service expenses paid	-	-	(311,966)	-	**(311,966)**
Total cash flows	**444,744**	**-**	**(311,966)**	**-**	**132,777**
Insurance contract liabilities as at Dec 2023	90,820	2	431,929	11,213	533,964
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**90,820**	**2**	**431,929**	**11,213**	**533,964**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Marine	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	94,141	-	120,267	30,585	**244,992**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	94,141	-	120,267	30,585	**244,992**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(438,538)	-	-	-	**(438,538)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	47,774	18,066	**65,840**
Adjustments to liabilities for incurred claims	-	-	55,314	(35,990)	**19,324**
Losses on onerous contracts	-	-	-	-	**-**
Amortisation of insurance acquisition cash flows	168,408	-	-	-	**168,408**
	168,408	**-**	**103,088**	**(17,924)**	**253,573**
Insurance service result	**(270,130)**	**-**	**103,088**	**(17,924)**	**(184,966)**
Finance Income/(expense) from insurance contracts			13,982		**13,982**
Total Changes in the statement of profit or loss	**(270,130)**	**-**	**117,070**	**(17,924)**	**(170,984)**
Cash flows					
Premiums received	458,340	-	-	-	**458,340**
Insurance acquisition cash flows paid	(168,377)	-	-	-	**(168,377)**
Claims and other insurance service expenses paid	-	-	(159,513)	-	**(159,513)**
Total cash flows	**289,963**	**-**	**(159,513)**	**-**	**130,450**
Insurance contract liabilities as at Dec 2023	113,974	-	77,824	12,661	204,459
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**113,974**	**-**	**77,824**	**12,661**	**204,459**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Engineering	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	47,738	33,803	295,203	85,035	**461,780**
Insurance contract Assets as at 1 January					
Net Opening Balance	47,738	33,803	295,203	85,035	**461,780**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(304,471)	-	-	-	**(304,471)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	130,340	27,366	**157,706**
Adjustments to liabilities for incurred claims	-	-	119,342	(75,569)	**43,774**
Losses on onerous contracts	-	8,167	-	-	**8,167**
Amortisation of insurance acquisition cash flows	121,039	-	-	-	**121,039**
	121,039	**8,167**	**249,682**	**(48,203)**	**330,686**
Insurance service result	**(183,432)**	**8,167**	**249,682**	**(48,203)**	**26,214**
Finance Income/(expense) from insurance contracts			25,670		**25,670**
Changes in the statement of profit or loss	**(183,432)**	**8,167**	**275,352**	**(48,203)**	**51,884**
Cash flows					
Premiums received	317,066	-	-	-	**317,066**
Insurance acquisition cash flows paid	(118,777)	-	-	-	**(118,777)**
Claims and other insurance service expenses paid	-	-	(299,557)	-	**(299,557)**
Total cash flows	**198,288**	**-**	**(299,557)**	**-**	**(101,268)**
Insurance contract liabilities as at Dec 2023	62,595	41,970	270,998	36,833	412,396
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**62,595**	**41,970**	**270,998**	**36,833**	**412,396**

31-Dec-23	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Oil&Energy	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	700,362	87,344	1,285,877	461,071	**2,534,654**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	700,362	87,344	1,285,877	461,071	**2,534,654**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(1,745,745)	-	-	-	**(1,745,745)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	213,996	55,073	**269,069**
Adjustments to liabilities for incurred claims	-	-	(412,947)	(367,726)	**(780,673)**
Losses on onerous contracts	-	92,015	-	-	**92,015**
Amortisation of insurance acquisition cash flows	642,621	-	-	-	**642,621**
	642,621	**92,015**	**(198,951)**	**(312,653)**	**223,032**
Insurance service result	**(1,103,124)**	**92,015**	**(198,951)**	**(312,653)**	**(1,522,713)**
Finance Income/(expense) from insurance contracts			124,097		**124,097**
Changes in the statement of profit or loss	**(1,103,124)**	**92,015**	**(74,854)**	**(312,653)**	**(1,398,616)**
Cash flows					
Premiums received	2,619,914	-	-	-	**2,619,914**
Insurance acquisition cash flows paid	(592,324)	-	-	-	**(592,324)**
Claims and other insurance service expenses paid	-	-	(541,997)	-	**(541,997)**
Total cash flows	**2,027,591**	**-**	**(541,997)**	**-**	**1,485,593**
Insurance contract liabilities as at Dec 2023					
Insurance contract Assets as at Dec 2023	-	-	-	-	-
Net insurance contract liabilites as at Dec 2023	**1,624,829**	**179,359**	**669,026**	**148,418**	**2,621,632**

13(a(i)) **Segment Reporting**

The accounting policies of the reportable segments are the same as the Company's accounting policies.
Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Company's revenue and result by reportable segment in 2023

	31 December 2023						
	Motor	**General accident**	**Marine**	**Engineering**	**Fire**	**Oil & Gas**	**Total**
Income:	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	**1,249,967**	**664,674**	**438,538**	**304,471**	**2,691,306**	**1,745,745**	**7,094,701**
	-	-	-	-	-	-	
Incurred claims and other insurance service expense	(891,275)	(175,516)	(65,840)	(157,706)	(1,152,932)	(269,069)	(2,712,338)
Amortisation of insurance acquisition cash flows	(351,780)	(235,877)	(168,408)	(121,039)	(775,273)	(642,621)	(2,294,997)
Losses on onerous contracts	68,421	4,922	-	(8,167)	(39,062)	(92,015)	(65,901)
Adjustments to liabilities for incurred claims	(555,090)	(225,697)	(19,324)	(43,774)	(314,560)	780,673	(377,773)
Total insurance expenses	**(1,729,724)**	**(632,168)**	**(253,573)**	**(330,686)**	**(2,281,827)**	**(223,032)**	**(5,451,010)**
Insurance service result from insurance contracts issued	**(479,757)**	**32,506**	**184,966**	**(26,214)**	**409,478**	**1,522,713**	**1,643,691**
Other net income/(expenses) from reinsurance contracts							
Allocation of reinsurance premiums paid	(52,700)	(27,083)	(285,180)	(246,573)	(1,708,166)	(1,498,196)	(3,817,898)
Recoveries on incurred claims and other incurred reinsurance service expense	73,990	13,457	110,558	102,079	1,078,174	(6,920)	1,371,338
Recoveries/(reversals of recoveries) on onerous contracts	(4,371)	(685)	(2,357)	3,822	20,118	39,415	55,941
Other net income/(expenses) from reinsurance contracts	**16,920**	**(14,311)**	**(176,980)**	**(140,671)**	**(609,874)**	**(1,465,701)**	**(2,390,618)**
Insurance service result	**(462,837)**	**18,194**	**7,986**	**(166,886)**	**(200,396)**	**57,012**	**(746,927)**

The following is an analysis of the Company's revenue and result by reportable segment in 2022

	31 December 2022						
	Motor	**General accident**	**Marine**	**Engineering**	**Fire**	**Oil & Gas**	**Total**
Income:	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance Revenue	**1,005,273**	**591,383**	**550,911**	**241,559**	**1,741,182**	**2,173,446**	**6,303,753**
	-	-	-	-	-	-	
Incurred claims	(420,995)	(143,841)	24,149	(92,049)	(35,627)	(147,336)	(815,700)
Other insurance service expenses	(167,720)	(95,274)	(81,016)	(36,468)	(306,849)	(343,023)	(1,030,350)
Amortisation of insurance acquisition cash flows	(271,800)	(209,027)	(178,692)	(84,023)	(571,182)	(690,847)	(2,005,571)
Losses and reversal of losses on onerous contracts	(39,461)	(4,924)	-	(22,835)	(92,662)	3,951	(155,931)
Adjustments to liabilities for incurred claims	(148,924)	(85,691)	64,117	(12,390)	(541,269)	(365,286)	(1,089,442)
Total insurance expenses	**(1,048,900)**	**(538,758)**	**(171,442)**	**(247,765)**	**(1,547,589)**	**(1,542,541)**	**(5,096,995)**
Insurance service result from insurance contracts issued	**(43,627)**	**52,626**	**379,469**	**(6,206)**	**193,593**	**630,904**	**1,206,759**
Other net income/(expenses) from reinsurance contracts							
Allocation of reinsurance premiums paid	(19,628)	(48,664)	(359,309)	(162,037)	(1,365,883)	(1,214,066)	(3,169,587)
Recoveries on incurred claims and other incurred reinsurance service expense	49,978	19,148	35,686	64,090	449,405	446,892	1,065,198
Recoveries/(reversals of recoveries) on onerous contracts	2,265	445	(516)	9,094	48,161	(15,933)	43,516
Other net income/(expenses) from reinsurance contracts	**32,616**	**(29,071)**	**(324,139)**	**(88,853)**	**(868,317)**	**(783,107)**	**(2,060,872)**
Insurance service result	**(11,012)**	**23,554**	**55,330**	**(95,060)**	**(674,724)**	**(152,202)**	**(854,113)**

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for policies measured under PAA for Dec 2022

13(b)

31-Dec-22 **Aggregated**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluing Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	1,747,284	137,738	2,680,757	184,954	**4,750,733**
Insurance contract Assets as at 1 January	-	-	-	-	-
Net Opening Balance	1,747,284	137,738	2,680,757	184,954	**4,750,733**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(6,303,753)	-	-	-	**(6,303,753)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	1,216,634	629,416	**1,846,050**
Adjustments to liabilities for incurred claims	-	-	1,214,448	(125,006)	**1,089,442**
Losses on onerous contracts	-	155,931	-	-	**155,931**
Amortisation of insurance acquisition cash flows	2,005,571	-	-	-	**2,005,571**
	2,005,571	**155,931**	**2,431,082**	**504,410**	**5,096,995**
Insurance service result	**(4,298,182)**	**155,931**	**2,431,082**	**504,410**	**(1,206,759)**
Finance Income/(expense) from insurance contracts			245,231		**245,231**
Total Changes in the statement of profit or loss	**(4,298,182)**	**155,931**	**2,676,313**	**504,410**	**(961,528)**
Cash flows					
Premiums received	6,072,311	-	-	-	**6,072,311**
Insurance acquisition cash flows paid	(1,690,631)	-	-	-	**(1,690,631)**
Claims and other insurance service expenses paid	-	-	(2,319,229)	-	**(2,319,229)**
Total cash flows	4,381,679	-	(2,319,229)	-	2,062,451
Insurance contract liabilities as at Dec 2022					
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**1,830,781**	**293,669**	**3,037,841**	**689,364**	**5,851,654**

31-Dec-22 **Motor**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	392,862	35,475	146,724	10,020	**585,082**
Insurance contract Assets as at 1 January					
Net Opening Balance	**392,862**	**35,475**	**146,724**	**10,020**	**585,082**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(1,005,273)	-	-	-	**(1,005,273)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	594,745	(6,030)	**588,715**
Adjustments to liabilities for incurred claims	-	-	148,711	213	**148,924**
Losses on onerous contracts	-	39,461	-	-	**39,461**
Amortisation of insurance acquisition cash flows	271,800	-	-	-	**271,800**
	271,800	**39,461**	**743,455**	**(5,817)**	**1,048,900**
Insurance service result	**(733,472)**	**39,461**	**743,455**	**(5,817)**	**43,627**
Finance Income/(expense) from insurance contracts			39,107		**39,107**
Total Changes in the statement of profit or loss	**(733,472)**	**39,461**	**782,563**	**(5,817)**	**82,735**
Cash flows					
Premiums received	857,250	-	-	-	**857,250**
Insurance acquisition cash flows paid	(107,751)	-	-	-	**(107,751)**
Claims and other insurance service expenses paid	-	-	(761,630)	-	**(761,630)**
Total cash flows	749,499	-	(761,630)	-	(12,131)
Insurance contract liabilities as at Dec 2022	408,889	74,936	167,657	4,203	655,686
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	408,889	74,936	167,657	4,203	655,686

31-Dec-22 **Fire**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	308,439	-	650,444	44,421	**1,003,304**
Insurance contract Assets as at 1 January					
Net Opening Balance	308,439	-	650,444	44,421	**1,003,304**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(1,741,182)	-	-	-	**(1,741,182)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	264,887	77,589	**342,476**
Adjustments to liabilities for incurred claims	-	-	555,503	(14,234)	**541,269**
Losses on onerous contracts	-	92,662	-	-	**92,662**
Amortisation of insurance acquisition cash flows	571,182	-	-	-	**571,182**
	571,182	**92,662**	**820,389**	**63,355**	**1,547,589**
Insurance service result	**(1,170,000)**	**92,662**	**820,389**	**63,355**	**(193,593)**
Finance Income/(expense) from insurance contracts			67,736		**67,736**
Total Changes in the statement of profit or loss	**(1,170,000)**	**92,662**	**888,125**	**63,355**	**(125,857)**
Cash flows					
Premiums received	1,922,712	-	-	-	**1,922,712**
Insurance acquisition cash flows paid	(560,169)	-	-	-	**(560,169)**
Claims and other insurance service expenses paid	-	-	(691,213)	-	**(691,213)**
Total cash flows	**1,362,543**	**-**	**(691,213)**	**-**	**671,330**
Insurance contract liabilities as at Dec 2022	500,982	92,662	847,356	107,776	1,548,776
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**500,982**	**92,662**	**847,356**	**107,776**	**1,548,776**

31-Dec-22 **General Accident**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	75,644	-	206,129	14,077	**295,850**
Insurance contract Assets as at 1 January					
Net Opening Balance	75,644	-	206,129	14,077	**295,850**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(591,383)	-	-	-	**(591,383)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	254,810	(15,695)	**239,115**
Adjustments to liabilities for incurred claims	-	-	83,379	2,312	**85,691**
Losses on onerous contracts	-	4,924	-	-	**4,924**
Amortisation of insurance acquisition cash flows	209,027	-	-	-	**209,027**
	209,027	**4,924**	**338,189**	**(13,383)**	**538,758**
Insurance service result	**(382,356)**	**4,924**	**338,189**	**(13,383)**	**(52,626)**
Finance Income/(expense) from insurance contracts			23,006		**23,006**
Total Changes in the statement of profit or loss	**(382,356)**	**4,924**	**361,195**	**(13,383)**	**(29,619)**
Cash flows					
Premiums received	593,756	-	-	-	**593,756**
Insurance acquisition cash flows paid	(202,556)	-	-	-	**(202,556)**
Claims and other insurance service expenses paid	-	-	(245,844)	-	**(245,844)**
Total cash flows	**391,200**	**-**	**(245,844)**	**-**	**145,356**
Insurance contract liabilities as at Dec 2022	84,488	4,924	321,480	694	411,585
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**84,488**	**4,924**	**321,480**	**694**	**411,585**

31-Dec-22 **Marine**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	131,588	-	256,484	17,516	**405,587**
Insurance contract Assets as at 1 January					
Net Opening Balance	131,588	-	256,484	17,516	**405,587**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(550,911)	-	-	-	**(550,911)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	39,441	17,427	**56,867**
Adjustments to liabilities for incurred claims	-	-	(59,759)	(4,358)	**(64,117)**
Losses on onerous contracts	-	-	-	-	**-**
Amortisation of insurance acquisition cash flows	178,692	-	-	-	**178,692**
	178,692	**-**	**(20,319)**	**13,069**	**171,442**
Insurance service result	**(372,219)**	**-**	**(20,319)**	**13,069**	**(379,469)**
Finance Income/(expense) from insurance contracts			21,432		**21,432**
Total Changes in the statement of profit or loss	**(372,219)**	**-**	**1,113**	**13,069**	**(358,037)**
Cash flows					
Premiums received	505,145	-	-	-	**505,145**
Insurance acquisition cash flows paid	(171,127)	-	-	-	**(171,127)**
Claims and other insurance service expenses paid	-	-	(137,330)	-	**(137,330)**
Total cash flows	**334,017**	**-**	**(137,330)**	**-**	**196,688**
Insurance contract liabilities as at Dec 2022	93,386	-	120,267	30,585	244,237
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**93,386**	**-**	**120,267**	**30,585**	**244,237**

31-Dec-22 **Engineering**	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	60,080	10,968	320,939	21,918	**413,905**
Insurance contract Assets as at 1 January					
Net Opening Balance	60,080	10,968	320,939	21,918	**413,905**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(241,559)	-	-	-	**(241,559)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	73,256	55,261	**128,517**
Adjustments to liabilities for incurred claims	-	-	4,534	7,856	**12,390**
Losses on onerous contracts	-	22,835	-	-	**22,835**
Amortisation of insurance acquisition cash flows	84,023	-	-	-	**84,023**
	84,023	**22,835**	**77,790**	**63,117**	**247,765**
Insurance service result	**(157,536)**	**22,835**	**77,790**	**63,117**	**6,206**
Finance Income/(expense) from insurance contracts			9,397		**9,397**
Total Changes in the statement of profit or loss	**(157,536)**	**22,835**	**87,188**	**63,117**	**15,603**
Cash flows					
Premiums received	225,698	-	-	-	**225,698**
Insurance acquisition cash flows paid	(80,854)	-	-	-	**(80,854)**
Claims and other insurance service expenses paid	-	-	(112,923)	-	**(112,923)**
Total cash flows	**144,844**	**-**	**(112,923)**	**-**	**31,921**
Insurance contract liabilities as at Dec 2022	47,388	33,803	295,203	85,035	461,429
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**47,388**	**33,803**	**295,203**	**85,035**	**461,429**

31-Dec-22	**Liability for remaining coverage**		**Liability for incurred claims**		**Total**
Oil&Energy	Excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk Adjustments for non-financial risk	
Insurance contract liabilities as at 1 January	778,671	91,295	1,100,037	77,003	**2,047,005**
Insurance contract Assets as at 1 January					
Net Opening Balance	778,671	91,295	1,100,037	77,003	**2,047,005**
Changes in the statement of profit or loss					
Insurance revenue					
Other contracts	(2,173,446)	-	-	-	**(2,173,446)**
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	(10,505)	500,863	**490,359**
Adjustments to liabilities for incurred claims	-	-	482,081	(116,795)	**365,286**
Losses on onerous contracts	-	(3,951)	-	-	**(3,951)**
Amortisation of insurance acquisition cash flows	690,847	-	-	-	**690,847**
	690,847	**(3,951)**	**471,576**	**384,068**	**1,542,541**
Insurance service result	**(1,482,599)**	**(3,951)**	**471,576**	**384,068**	**(630,904)**
Finance Income/(expense) from insurance contracts			84,552		**84,552**
Total Changes in the statement of profit or loss	**(1,482,599)**	**(3,951)**	**556,129**	**384,068**	**(546,352)**
Cash flows					
Premiums received	1,967,750	-	-	-	**1,967,750**
Insurance acquisition cash flows paid	(568,174)	-	-	-	**(568,174)**
Claims and other insurance service expenses paid	-	-	(370,288)	-	**(370,288)**
Total cash flows	**1,399,576**	**-**	**(370,288)**	**-**	**1,029,287**
Insurance contract liabilities as at Dec 2022	695,648	87,344	1,285,877	461,071	2,529,940
Insurance contract Assets as at Dec 2022	-	-	-	-	-
Net insurance contract liabilites as at Dec 2022	**695,648**	**87,344**	**1,285,877**	**461,071**	**2,529,940**

31-Dec-23

Age analysis of outstanding claims at the end of the period is shown below:

Status (all figures in N'000)	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Above 365 days**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting supporting Documentation	19,229	46,542	47,942	81,971	305,039	500,723
Being Adjusted	23,107	142,588	140,742	244,300	525,160	1,075,896
Awaiting settlement decision	-	-	-	-	-	-
Claims awaiting payment	-	-	-	-	-	-
Under dispute	-	-	-	-	500	500
Total	**42,336**	**189,130**	**188,684**	**326,271**	**830,699**	**1,577,119**

No of claimants against each of the claim reserve status:

Status	**Count**
Awaiting supporting Documentation	1354
Being Adjusted	565
Awaiting settlement decision	-
Claims awaiting payment	-
Under dispute	1
Total	**1,920**

31-Dec-22

Age analysis of outstanding claims at the end of the period is shown below:

Status (all figures in N'000)	**0-30 days**	**31-90 days**	**91-180 days**	**181-365 days**	**Above 365 days**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting supporting Documentation	4,658	26,048	46,027	67,256	424,597	568,586
Being Adjusted	57,882	116,193	80,932	213,864	482,538	951,409
Awaiting settlement decision	-	-	-	-	-	-
Claims awaiting payment	-	-	-	-	-	-
Under dispute	-	-	-	-	9,000	9,000
Total	**62,540**	**142,241**	**126,959**	**281,120**	**916,134**	**1,528,994**

No of claimants against each of the claim reserve status:

Status	**Count**
Awaiting supporting Documentation	874
Being Adjusted	521
Awaiting settlement decision	-
Claims awaiting payment	-
Under dispute	1
Total	**1,396**

14 **Trade payables**	**31-Dec-23**	**31-Dec-22**
	N'000	**N'000**
Commission payable	-	308
	-	308

Notes to the financial statements (Cont'd)

15 **Accruals and other payables**

	31-Dec-23	31-Dec-22
	N'000	N'000
Financial		
Sundry deposits (see note (a) below)	1,175,827	462,306
Sundry payables (see note (b) below)	252,668	382,231
	1,428,495	844,538
Non-Financial		
Due to related party	955,314	98,198
Sundry payables (see note (c) below)	276,450	203,809
	2,660,259	**1,146,545**
Within one year	2,660,259	1,146,545
More than one year	-	-
	2,660,259	**1,146,545**

(a) The movement in sundry deposits is shown below:

At 1 January	462,306	110,086
Movement during the year	713,521	352,220
At 31 December	**1,175,827**	**462,306**

Sundry deposit represents premium inflow from Ecobank Plc, Gruppo Investment Nigeria Ltd, Indorama Eleme, Total Energies Upstream, Sterling Oil, and NDPHC Olorunsogo received in advance. Premium was appropriately captured as premium income subsequent to year-end.

(b) **Sundry payables**

	31-Dec-23	31-Dec-22
	N'000	N'000
Financial		
Accrued expenses	214,137	359,731
Audit fees	38,531	22,500
Professional fees	-	-
	252,668	**382,231**
Non-Financial		
Staff productivity bonus	115,071	76,888
Supervisory levy	68,508	62,422
Value added tax	23,852	23,852
Industrial training fund	-	8,108
Pension payable	1,693	1,514
Withholding tax	65,503	27,930
National housing fund	1,824	3,094
	276,450	**203,809**

Notes to the financial statements (Cont'd)

Vesting of the deferred bonus occurs in three years, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Old Mutual Limited's share price as listed on the Johannesburg Stock Exchange at payment date. The fair value of the services received in return for the virtual share options is measured by reference to the fair value of the share entitlements granted. Fair value of the entitlement is measured using the Black Scholes options pricing model.

16 **Taxation**

(a) **Charge for the year**

	31-Dec-23	**31-Dec-22**
Recognised in profit or loss	N'000	N'000
Income tax	50,079	38,847
Education tax	-	-
Information technology development levy		1,919
Police trust fund levy	72	10
	50,150	40,776
Deferred tax charge (see note 18)	-	-
	50,150	**40,776**

(b) **Current income tax liabilities**

At 1 January	40,776	13,134
Charge for the year (see note (a) above)	50,150	40,776
Paid during the year	(40,796)	(13,134)
At 31 December	**50,130**	**40,776**

Refer to note 4 for significant judgment and estimate related to the computation of current tax balances.

(c) **Reconciliation of effective tax rate**

	31-Dec-23		**31-Dec-22**	
	Tax rate	Amount	Tax rate	Amount
	%	**N'000**	**%**	**N'000**
Profit/(Loss) before income tax		1,435,914		191,877
Income tax using the domestic corporation tax rate	30%	430,774	30%	57,563
Non-deductible expenses	17%	241,331	3%	49,865
Tax exempt income	-39%	(562,032)	-18%	(258,107)
Impact of Industry tax law	-1%	(18,220)	-2%	(21,953)
Education tax	0%	-	0%	-
Information Technology Levy	0%	-	0%	1,919
Police trust fund levy	0%	72	0%	10
Investment allowance	0%	-	0%	5,661
Changes in unrecognised deferred tax asset	-3%	(43,672)	14%	205,818
Underprovision in prior year current income tax	0%	-	0%	-
Underprovision in prior year current education tax levy	0%	-	0%	-
Underprovision in prior year current IT levy	0%	-	0%	-
	3%	**48,253**	**29%**	**40,776**

17 **Deferred tax asset/(liability)**

Deferred tax assets have not been recognised in respect of the following items , because it is not probable that future taxable profits will be available against which the company can use the benefits therefrom.

		Dec-23		
	PPE	**Losses**	**Exchange difference**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Expected balance as at 1 January	23,327	(994,725)	51,769	(919,629)
Movement in the year by difference	(42,518)	(1,035,134)	295,706	(781,946)
Expected balance as at 31 December 2023	**(19,190)**	**(2,029,859)**	**347,475**	**(1,701,575)**

		Dec-22		
	PPE	**Losses**	**Exchange difference**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Expected balance as at 1 January	26,928	(827,755)	14,849	(785,978)
Movement in the year by difference	(3,601)	(166,970)	36,920	(133,651)
Expected balance as at 31 December	**23,327**	**(994,725)**	**51,769**	**(919,629)**

Management have considered the probability of future taxable profits against which the losses can be used and have decided not to recognise the deferred tax assets at this time.

There were no unrecognised deferred tax assets at year end (2022: Nil).

Notes to the financial statements (cont'd)

18 **Share capital**

Share capital comprises

		31-Dec-23	31-Dec-22
		N'000	N'000
(a)	Share capital		
	13,980,000,000 ordinary share of N1 each (see (i) below)	13,980,000	13,980,000
	20,000,000 preference share of N1 each (see (ii) below)	20,000	20,000
		14,000,000	**14,000,000**

(i) Movement in authorized ordinary share capital during the year is as follows:

	31-Dec-23	31-Dec-22
	₦'000	₦'000
Balance at 1 January at N1.00 each	13,980,000	13,980,000
Additions during the year at N1.00 each	-	-
Balance at 31 December	**13,980,000**	**13,980,000**

(ii) Movement in authorized preference share capital during the year is as follows:

	31-Dec-23	31-Dec-22
	₦'000	₦'000
Balance at the beginning of the year at N1.00 each	20,000	20,000
Additions during the year at N1.00 each	-	-
Balance at 31 December	**20,000**	**20,000**

(b) Issued and fully paid share capital

Ordinary shares	9,876,889	8,356,000
Preference shares	8,118	11,921
	9,885,007	**8,367,921**

19 **Share premium**

	31-Dec-23	31-Dec-22
	N'000	N'000
Balance at 1 January	4,856,356	4,856,356
Movement during the year (see note (a) below)	(1,517,087)	-
Balance at 31 December	**3,339,269**	**4,856,356**

20 **Contingency reserve**

In compliance with Section 21(1) of Insurance Act 2003, the contingency reserve for general business is credited with the greater of 3% of gross premium or 20% of Net Profit and accumulated until it reaches the amount of greater of minimum paid up capital or 50% of Net premium.

	31-Dec-23	31-Dec-22
	N'000	N'000
At 1 January	1,569,398	1,378,250
Transfer from retained earnings (see note 22)	251,394	191,148
At 31 December	**1,820,792**	**1,569,398**

21 **Retained earnings**

The amount represents the retained earnings available for dividend distribution to the equity shareholders of the Company (if approved at the Annual General Meeting). For the analysis of movement in Retained Earnings, see the 'Statement of Changes in Equity'.

	31-Dec-23	31-Dec-22
	N'000	N'000
At 1 January	(5,638,314)	(5,065,856)
Transfer from profit or (loss)	1,385,763	31,106
Transfer to contingency reserve (see note 21)	(251,394)	(191,148)
IFRS 17 Opening balance adjustment	-	(412,417)
At 31 December	**(4,503,945)**	**(5,638,314)**

Notes to the financial statements (cont'd)

		31-Dec-23	31-Dec-22
	Contracts Measured under the Premium Allocation Approach		
22	**Insurance Revenue**	**7,094,701**	**6,303,753**

	Insurance revenue per business class is as follows:	31-Dec-23	31-Dec-22
		N'000	N'000
	Motor	1,249,967	1,005,273
	General accident	664,674	591,383
	Marine	438,538	550,911
	Engineering	304,471	241,559
	Fire	2,691,306	1,741,182
	Oil & Gas	1,745,745	2,173,446
		7,094,701	**6,303,753**
23	**Insurance service expenses**		
	Incurred claims	(1,375,239)	(815,700)
	Other insurance service expenses	(1,337,100)	(1,030,350)
	Amortisation of insurance acquisition cash flows	(2,294,997)	(2,005,571)
	Changes that relate to future service – Losses and reversal of losses on onerous contracts	(65,901)	(155,931)
	Changes that relate to past service - adjustment to the LIC	(377,773)	(1,089,442)
	Total insurance expenses	**(5,451,010)**	**(5,096,995)**

	Insurance service expenses per business class is as follows:	31-Dec-23	31-Dec-22
		N'000	N'000
	Motor	(1,729,724)	(1,048,900)
	General accident	(632,168)	(538,758)
	Marine	(253,573)	(171,442)
	Engineering	(330,686)	(247,765)
	Fire	(2,281,827)	(1,547,589)
	Oil & Gas	(223,032)	(1,542,541)
		(5,451,010)	**(5,096,995)**
24	**Other net income/(expenses) from reinsurance contracts**		
	Allocation of reinsurance premiums paid	(3,817,898)	(3,169,587)
	Recoveries on incurred claims and other incurred reinsurance	1,371,336	1,065,198
	Recoveries/(reversals of recoveries) on onerous contracts	55,944	43,516
	Net income/(expenses) from reinsurance contracts	**(2,390,618)**	**(2,060,872)**
25	**Finance Income/(expense) from insurance contracts**	**(344,058)**	**(245,231)**
	Net finance income from reinsurance contracts held (see note 8)	**168,849**	**119,891**
26	**Investment income**		
(a)	**Income from financial asset**		
	Dividend income on Equity investment	7,405	20,796
	Interest income on cash and cash equivalents	611,264	276,658
	Interest income on bond and treasury bills	574,554	627,401
	Interest income on deposits with credit institutions	28,463	21,653
	Rental Income	-	-
		1,221,686	**946,509**

		31-Dec-23	31-Dec-22
(i)	The movement in dividends receivable for the year is as shown below		
		N'000	N'000
	Balance at 1 January	20,112	13,641
	Dividend income (see note 25 (a))	7,405	20,796
	Dividends received	(26,699)	(14,325)
	Balance at 31 December	**819**	**20,112**
(b)	**Equity investment (fair value through profit/loss)**		
	Fair value gain on equity securities (see note 7(a))	46,891	35,985
(c)	**Net equity and investment income**	**1,268,577**	**982,495**
27	**Other operating income and expenses**		

		31-Dec-23	31-Dec-22
(a)	**Other income/(expenses)**		
		N'000	N'000
	Interest on staff loans	-	76
	Other sundry income	93,345	13,825
	Interest on current account	299	1,194
	Profit from disposal of asset (see note 12(g))	-	19,038
		93,643	**34,133**

Notes to the financial statements (cont'd)

(b)	**Other operating expenses**		
	Loss from disposal of asset (see note 12(g))	-	-
	Fair value adjustment on staff loan	-	-
		-	-
(c)	**ECL Allowance on financial assets**		
	ECL impairment loss allowance during the year are as follows	**31-Dec-23**	**31-Dec-22**
	Cash and cash equivalent	(311)	6,837
	Investment at amortized cost	(6,977)	2,078
	Impairment of reinsurance receivable	-	(23,648)
	Impairment on other receivables	-	6,505
		(7,288)	**(8,229)**

28	**Foreign exchange gains**		
	Gain on translation of foreign currency transactions	1,222,320	159,288

29	**Operating expenses**		
		31-Dec-23	**31-Dec-22**
(a)	**Management expenses analysed by expense allocation**	N'000	N'000
	Salaries and allowances of other employees	832,138	830,102
	Pension costs (see note 36)	58,167	64,125
	Legal and professional fees	41,016	48,282
	Audit fees	28,125	22,500
	Depreciation on property and equipment (see note 12)	67,565	65,902
	Rent and rates	176,536	158,856
	Directors' fees	80,281	48,172
	Bank charges	45,814	24,728
	VAT and Withholding tax	63,774	28,852
	Insurance levy	81,637	64,917
	Fines and penalties	1,000	-
	Industrial training fund levy	18,220	8,242
	Training and development	5,896	150
	Insurance premium-company properties	7,041	9,667
	Hotel accommodation	3,415	465
	Stationeries	1,163	1,247
	Telephone expenses	6,827	9,540
	Staff medical expenses	17,330	22,464
	Contract staff allowance	74,734	64,112
	Transport and travel	3,076	9,444
	Vehicle- repairs and maintenance	12,535	6,020
	Vehicle- fuel, lubrication and repairs	24,297	13,792
	Office repairs & running expenses	274,834	116,247
	Group charges	547,602	314,988
	Other administrative expenses (see note (b) below)	299,940	242,470
		2,772,962	**2,175,284**
	Attributable expenses	2,553,758	2,058,933
	Non Attributable expenses	219,204	116,351
	Total Management Expenses	**2,772,962**	**2,175,284**
(b)	**Other administrative expenses**		
	Stamp duties	13,217	2,581
	IT expenses	115,639	110,954
	Projects and initiatives	15,000	13,802
	Group life Insurance and workmens compensation	21,372	18,344
	Corporate promotions	125,732	92,550
	Membership fees	8,980	4,240
		299,940	**242,470**

	Cash flow Reconciliation		
30	**Fee and commission income**	**31-Dec-23**	**31-Dec-22**
	Reinsurance commission	681,755	474,069
		681,755	**474,069**
(a)	Commission received is as analysed below:		
	At 1 January, deferred commission income	141,345	106,668
	Reinsurance commission earned	(681,755)	(474,069)
	Commission received during the year	700,411	508,746
	Deferred commission income	**160,000**	**141,345**
31			
(a)	**Claims and other insurance service expenses paid**		
	Claims paid during the year	2,142,144	1,301,732
	Gross commission and maintenance expenses	1,337,100	1,017,497
		3,479,244	2,319,229
(b)	Reinsurance premium paid is as analysed below:		
	At 1 January, trade payable	172,247	1,003
	Reinsurance premium ceded	4,490,011	3,250,262
	Reinsurance premium paid	(4,460,389)	(3,079,017)
	Trade payable	**201,870**	**172,247**
(c)	Recconciliation of premium received		
	At 1 January	199,266	10,060
	Gross Premium Written	8,379,798	6,371,604
	Premium received in advance	(277,381)	(110,086)
	Premium received during the year	(8,151,433)	(6,072,311)
	At 31 December	**150,250**	**199,266**

32 **Earnings per share**

(a) Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted profit/(loss) per share is computed by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive ordinary shares.

The profit/(loss) and weighted average number of ordinary shares used in the calculation of basic profit/(loss) per share are as follows:

	31-Dec-23	31-Dec-22
Profit/(Loss) for the year attributable to owners of the company N'000	**1,385,763**	**31,106**
	Unit	**Unit**
Weighted average number of ordinary shares (thousands) '000	**9,876,889**	**8,356,000**
Basic earnings per share (kobo)	**14**	**-**

(b) Diluted earnings per share

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

	31-Dec-23 N'000	31-Dec-22 N'000
Loss for the year attributable to owners of the company N'000	**1,385,763**	**31,106**
In units		
Weighted average number of basic ordinary shares in issue (in thousands) '000	9,876,889	8,356,000
Effect of conversion of convertible preference shares	3,247,387	4,768,276
Weighted average number of ordinary shares in issue (diluted)	**13,124,276**	**13,124,276**
Diluted earnings per share (kobo per share)	**11**	**-**

33 **Hypothecation of insurance fund on assets**

Assets allocation was done in accordance with NAICOM guidelines in force to meet the minimum requirement of Section 26(1)(c)of the Insurance Act of Nigeria for hypothecation of investments representing the insurance funds.

31 December 2023

		Policyholders N'000	Shareholders N'000	Total N'000
(i)	Cash and cash equivalents	2,050,330	7,572,531	9,622,861
	Financial assets			
	- Fair value through profit or loss (FVTPL)	-		-
	- Amortised cost	2,226,577	3,675,340	5,901,917
	- Loans and receivables at amortised cost	-		-
	Reinsurance contract assets	3,319,884		3,319,884
	Trade Receivable	150,250	-	150,250
	Other receivables and prepayments	-	470,623	470,623
	Investment properties	-		-
	Property and equipment	-	136,279	136,279
	Statutory deposits	-	500,000	500,000
	Total assets	**7,747,041**	**12,354,773**	**20,101,814**

Notes to the financial statements (cont'd)

31 December 2023

		Policyholders N'000	Shareholders N'000	Total N'000
(ii)	Investment income:			
	Dividend income	-	7,405	7,405
	Interest income on cash and cash equivalents	76,754	534,510	611,264
	Interest income on treasury bills and Bonds	123,106	451,448	574,554
	Interest income on deposits with credit institutions	-	28,463	28,463
	Fair value gain/(loss) on financial asset	-	46,891	46,891
		199,859	**1,068,718**	**1,268,577**

31 December 2022

(i)	Cash and cash equivalents	977,743	3,965,713	4,943,456
	Financial assets			
	- Fair value through profit or loss (FVTPL)	-	273,328	273,328
	- Amortised cost	1,702,533	5,342,314	7,044,847
	- Loans and receivables at amortised cost	-	-	-
	Reinsurance assets	2,730,005	-	2,730,005
	Deferred acquisition costs	-	-	-
	Trade Receivable	-	-	-
	Other receivables and prepayments	-	163,224	163,224
	Investment properties	-	-	-
	Property and equipment	-	187,273	187,273
	Statutory deposits	-	500,000	500,000
		5,410,281	**10,431,853**	**15,842,133**
(ii)	Investment income:			
	Loans and receivables	-	-	-
	Dividend income	-	20,796	20,796
	Fair value loss on investment properties (unrealised)	-	-	-
	Loss on disposal of investment properties	-	-	-
	Interest income on cash and cash equivalents	76,754	199,905	276,658
	Interest income on treasury bills and Bonds	123,106	504,296	627,401
	Interest income on deposits with credit institutions	-	21,653	21,653
	Rental Income	-	-	-
	Fair value gain on financial asset	-	35,985	35,985
		199,859	**782,636**	**982,495**

34 **Related party transactions**

(a) ***Parent***

The Company is a subsidiary of Old Mutual Africa Holdings Limited (Incorporated in SA) which owns 81% of the paid up share capital with the ultimate holding Company, Old Mutual Limited.

(b) ***Transactions with key management personnel***

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key management personnel and any entity over which key management personnel exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company, Old Mutual Africa Holdings, the parent Company, Old Mutual Limited and any subsidiary in the group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Old Mutual General Insurance Company Nigeria Limited.

(i) ***Key management personnel and director transactions***

The company received premium income from directors and other key management personnel during the year.

Name of personnel	Amount	Designation
Offong Ambah	246,450	Director
Oyinlade Olalekan	149,657	Director
Aworetan Mary	370,856	Management Personnel

Notes to the financial statements (cont'd)

(ii) ***Other related party transactions***

During the year, the Company provided insurance services to entities related to key management personnel of the Company and related entities within the group.

All the transactions with the related parties were conducted at arm's length.

The company's transactions and balances arising from dealings with related parties are:

Name of related party	**Nature of transaction**	**31-Dec-23**	**31-Dec-22**
		N'000	N'000
Old Mutual West Africa	Professional services	-	98,198
Old Mutual Insure Limited	Insurance premium received	242,470	314,988
Ecobank Nigeria Limited	Fixed Deposit Placement made	1,362,008	297,268
Ecobank Nigeria Limited	Insurance premium received	338,795	440,111
Ecobank Nigeria Limited	Interest income	71,168	-
EDC Securities Limited	Fixed Deposit Placement made	1,253,529	847
EDC Funds Management	Insurance premium received	2,453	388,898
EDC Funds Management	Interest income	104,052	-

The amount of N3.4 Billion represents the face value of Bonds purchased through EDC Fund Management Ltd. EDC Fund Management Ltd acts as a purchase intermediary only and does not directly manage assets on behalf of Old Mutual General Insurance Company Nigeria Ltd.

35 **Compensation of key management personnel**

Key management personnel of the Company includes all directors, executive and non-executive, and senior mangement. The summary of compensation of key manangement personnel for the year is as follows:

	31-Dec-23	**31-Dec-22**
	N'000	N'000
Directors' fees:		
Fees and sitting allowance	80,281	52,967
The highest paid director (executive)	58,153	53,332
Number of directors	6	6

36 **Employees remunerated at higher rates**

The number of employees in receipt of emoluments including allowances within the following ranges

			2023	**2022**
			Number	**Number**
Below		2,000,000	-	
2,000,001	-	4,000,000	11	13
4,000,001	-	6,000,000	5	6
6,000,001	-	8,000,000	11	11
8,000,001	-	10,000,000	4	2
10,000,001	-	12,000,000	8	6
12,000,001	-	and above	19	21
			58	**59**

Average number of persons employed in the financial year and the related staff cost were as follows:

Managerial	4	5
Senior staff	16	17
Junior staff	38	37
	58	**59**

Notes to the financial statements (cont'd)

The staff costs for the above persons was:

	31-Dec-23	31-Dec-22
	N'000	N'000
Salaries, wages and allowances (see note 31(a))	832,138	830,102
Pension cost (see note 31(a))	58,167	64,125
	890,306	**894,227**

37 **Contingencies and Commitments**

(a) **Commitments for expenditure**

The Company has no commitment for capital expenditure at the reporting date.

(b) **Contingent liabilities**

Litigation and claims

The Company in its ordinary course of business is presently involved in one case as defendant.

In the matter of Seun Afolabi Salisu vs Oceanic Insurance Co. Ltd, the plaintiff is claiming N20,000,000.00 being a claim under an insurance policy which the Company repudiated. Management does not believe that such litigation will result in a liability that will have material effect on the financial statements if it cystallizes, therefore no provision has been made.

(c) **Contingent assets**

The Company is involved in four (4) cases as plaintiff. The total amount claimed in favour of the Company is estimated at N174 million (2022: N174 million).

38 **Events after the reporting period**

Old Mutual Africa Holdings Limited has entered into an agreement to sell its majority shareholding in Old Mutual General Insurance Compnay Nigeria Limited to a new investor (Emple Group) with the acquiring party committing to purchase the Old Mutual stake and continue the business on a going concern basis. The transaction is subject to regulatory approvals and standard contractual conditions, and is expected to be completed in 2024.

39 **Contravention of laws and regulations**

	31-Dec-23	31-Dec-22
Description	N'000	N'000
Non-compliance with the NAICOM requirements for obtaining Approval in Principle (AIP) to reinsure	-	-

OTHER NATIONAL DISCLOSURES

Other National Disclosures

STATEMENT OF VALUE ADDED
for the year ended 31 December 2022

	31-Dec-2023		31-Dec-2022	
	N'000	%	N'000	%
Net premium income	3,276,803	137	3,134,166	234
Reinsurance, claims, commission and others	(2,245,240)	(94)	(3,340,052)	(210)
Investment income	1,268,577	53	982,495	73
Other income	93,643	4	34,133	3
Value added/(consumed)	**2,393,783**	**100**	**810,741**	**100**
Applied as follows:				
Salaries, wages and other benefits	890,306	37	894,227	97
Government taxes	50,150	2	40,776	4
Retained in the business				
Depreciation of property and equipment	67,565	3	65,902	7
To augment contingency reserve	251,394	11	191,148	21
To augment/(deplete) reserves	1,134,369	47	(381,311)	(29)
	2,393,784	**100**	**810,742**	**100**

Value added/(consumed) represents the additional wealth which the Company has been able to create/(used) by its own and its employee's efforts. This statements shows the allocation of the wealth between employees, shareholders, government and retained for the future creation of more wealth.

Other National Disclosures

FINANCIAL SUMMARY

	31-Dec-23 ₦'000	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000
ASSETS					
Cash and cash equivalents	9,622,861	4,943,469	3,122,369	909,212	364,869
Financial assets	5,901,917	7,318,175	8,056,236	3,940,638	4,399,673
Deferred acqusition cost	-	-	331,013	69,500	76,603
Trade receivables	150,250	199,266	10,060	80,859	**30,264**
Other receivables and prepayment	470,623	286,559	195,067	88,255	126,792
Reinsurance contract assets	3,319,884	2,730,005	2,518,905	1,372,139	1,336,738
Statutory deposits	500,000	500,000	500,000	320,000	320,000
Investment properties	-	-	-	0	680,000
Property and equipment	136,279	187,273	142,038	32,128	51,368
Intangible Asset	29,896	29,896	**29,896**	-	-
Deferred tax assets	-	-	-	-	-
Total Assets	**20,131,710**	**16,194,643**	**14,905,583**	**6,812,731**	**7,386,308**
EQUITY & LIABILITIES					
Share Capital & Reserves:					
Ordinary share capital	9,876,889	8,356,000	8,356,000	3,000,000	3,000,000
Preference share capital	8,118	11,921	11,921	5,512	1,710.00
Share premium	3,339,269	4,856,356	4,856,356	2,299,377	782,290
Statutory contingency reserve	1,820,792	1,569,398	1,378,250	1,133,511	1,070,379
General reserve	(4,503,945)	(5,638,314)	(5,065,856)	(3,217,839)	(3,279,488)
Total Equity	**10,541,124**	**9,155,360**	**9,536,671**	**3,220,561**	**1,574,891**
Insurance contract liabilities	6,880,198	5,851,654	4,691,551	2,890,652	4,883,172
Trade payables	-	308	17,877	124,549	121,840
Accruals & other payables	2,660,259	1,146,545	646,541	562,606	661,127
Retirement benefit obligations	-	-	-	-	-
Income tax payable	50,130	40,776	13,134	14,363	112,962
Deferred tax liabilities	-	-	-	-	32,316
Total Liabilities	**9,590,587**	**7,039,283**	**5,369,103**	**3,592,170**	**5,811,417**
Total Equity & Liabilities	**20,131,710**	**16,194,643**	**14,905,774**	**6,812,731**	**7,386,308**
TURNOVER AND PROFIT					
Gross premium written	-	-	2,104,386	2,847,660	3,701,677
Insurance Revenue	7,094,701	6,303,753	-	-	-
Net premium earned	-	-	755,385	1,015,260	1,086,661
Profit/(loss) before income tax	1,435,914	71,882	104,027	(2,117,799)	(358,933)
Profit/(loss) for the year	1,385,763	31,106	124,781	(2,233,407)	(455,528)
Earning/(loss) per N1 share (basic)	14	-	4	(74)	(15)
Net asset per share	1	1	1	1	1

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.