PRESTIGE ASSURANCE PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

PRESTIGE ASSURANCE PLC

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Contents

PRESTIGE ASSURANCE PLC

CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Directors

Mrs. Funmi Oyetunji	-	Chairman
Mr. Rajesh Kamble (Indian)	-	Managing Director
Mrs. Rekha Gopalkrishnan (Indian)	-	Non-Executive Director
Mr. N.SR. Chandra Prasad (Indian)	-	Independent Non-Executive Director
Dr. Nosike Agokei	-	Non-Executive Director
Mr. Vivek Kalla (Indian)	-	Executive Director
Mr Agrawal Ramakant (Indian)	-	Non-Executive Director
Mrs. Neerja Kapur (Indian)	-	Non-Executive Director
Mrs. Smita Srivastava(Indian)	-	Non-Executive Director
Mrs. Aderonke Adedeji	-	Non-Executive Director (Representing Leadway Assurance Company Limited)

Registration Number	6753
NAICOM Reg. Number	033
Company Secretary	Mrs. Chidinma Ibe-Louis FRC/2021/PRO/ICSAN/002/00000023803
Registered Office	No 19,Ligali Ayorinde Street, Victoria Island, Lagos P.O.Box 650 Marina, Lagos Info@prestigeassuranceplc.com www.prestigeassuranceplc.com FRC/2013/00000000595
Actuary: Insurance Contract Liabilities	Becoda Consulting Limited FRC/2021/00000013819 7, Ibiyinka Olorunbe Close Victoria Island Lagos
Actuary: Staff Benefit Scheme	Zamara Consulting Actuaries Nigeria Limited FRC/2017/NAS/000000016912 70 Adetokunbo Ademola Street Victoria Island Lagos
Registrar	First Registrars & Investors Services Limited Plot 2, Abebe Village Road, Iganmu, Lagos FRC/2013/00000000001946
Auditor	Ernst & Young 10^{th} & 13^{th} Floors UBA House, 57, Marina Lagos

Bankers	Access Bank Plc	Keystone Bank Limited
	Fidelity Bank Plc	Providus Bank Limited
	First Bank of Nigeria Limited	Stanbic IBTC Bank Limited
	Guaranty Trust Bank Ltd	Sterling Bank Plc
	Heritage Bank Plc	Union Bank of Nigeria Plc
	Ecobank Nigeria Limited	United Bank for Africa Plc
	Bank of India Limited	
Re-insurers	Africa Reinsurance Corporation	NCA Reinsurer
	Aveni Reinsurer	Waica Reinsurer
	Continental Reinsurance	Zep Reinsurer
TIN	01061383-0001	

PRESTIGE ASSURANCE PLC

RESULTS AT A GLANCE

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	*Restated* 2022
	₦'000	₦'000
Gross premium written	14,877,200	12,443,818
Insurance revenue	**13,547,046**	**11,505,162**
Insurance service expenses	(12,330,181)	(11,548,060)
Insurance service result before reinsurance contract held	**1,216,865**	**(42,897)**
Net (expense)/income from reinsurance contracts held	(598,266)	665,180
Total Insurance service result	618,599	622,282
Total investment income	1,141,828	1,185,830
Other operating expenses	(1,191,233)	(1,245,367)
Profit for the year	1,310,451	502,258
Net assets	15,949,825	13,124,082
Total assets	27,851,339	22,039,047
Basic earnings per share (Kobo)	9.89	3.79
Diluted earnings per share (Kobo)	9.89	3.79

PRESTIGE ASSURANCE PLC

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

Prestige Assurance Plc ("the Company") has remained committed to the principles and practice that promote Good Corporate Governance. We recognize that sound corporate governance practices are necessary for effective management and control of the Company's business with a view to maximizing the Shareholders value and meeting the expectations of other Stakeholders. In furtherance of the commitment to high ethical conduct, we regularly review our processes and practices to ensure compliance with the legislative and best practice changes in the global corporate governance environment.
The Company continues to comply with its Internal Governance Policies and the Nigerian Code of Corporate Governance 2018 for Public Companies in Nigeria. As an Insurance Company, Prestige also complies with the Corporate Governance Guidelines for the Insurance Industry in Nigeria, issued by the National Insurance Commission(NAICOM) in 2021. The NAICOM's Code of Corporate Governance covers a wide range of issues including Board structure, quality of Board Members, duties of the Board, conduct of the Board of Directors, rights of Shareholders and Committees of the Board.

Board of Directors

The Board of Directors has the ultimate responsibility for the overall functioning of the Company. The responsibilities of the Board include setting the Company's strategic objectives and policies, providing leadership to put them into effect, supervising the management of the business, ensuring implementation of decisions reached at the Annual General Meeting, ensuring value creation to shareholders and employees, determination of the terms of reference and procedures of all Board Committees, ensuring maintenance of ethical standard as well as compliance with the Laws of Nigeria. At the moment, the Board is composed of ten members comprising of Non-Executive Chairman, MD/CEO and six Non-Executive Directors and one Executive Director and one independent non-executive director. The Directors are experienced stakeholders with diverse professional backgrounds in Insurance, Accounting, Commerce, Law, Management, Information Technology, etc. The Directors are people of impeccable character and high integrity.

The Company is indeed delighted to have a versatile Board with a deep understanding of its responsibilities to Shareholders, Regulatory Authorities, Government and other Stakeholders. The Board always takes proactive steps to master and fully appreciate all cultural, legislative, ethical, institutional and all other factors, which impact our operations and operating environment. The meetings of the Board are scheduled well in advance and highlights from the sub-committees of the Board are circulated to all the Directors. During the year under review, the Board met on 27 January, 14 March, 26 April, 26 July, 25 October, and 18 December 2023. Details of attendance by the Directors at Board meetings are as follows:

S/N	Directors	Category of Directorship	Number of Meetings Held during the year	Number of Applicable Meetings attended	Number of meetings attended
1	Mrs. Funmi Oyetunji	Chairman	6	6	6
2	Mr. Rajesh Kamble	Managing Director	6	6	6
3	Mrs. Rekha Gopalkrishnan	Non-Executive Director	6	6	3
4	Mr. N.SR. Chandra Prasad	Ind. Non-Executive Director	6	6	6
5	Mrs. Aderonke Adedeji	Non-Executive Director	6	6	6
6	Dr. Nosike Agokei	Non-Executive Director	6	6	6
7	Mr. Vivek Kalla	Executive Director	6	6	5
8	Mr Agrawal Ramakant	Non-Executive Director	6	6	3
9	Mrs. Neerja Kapur	Non-Executive Director	6	6	1
10	Mrs Smita Srivastava (Appointed-26 July 2023)	Non-Executive Director	6	2	1

Board Committees

The Board performed its functions through five Standing Committees during the period under review.

i. Statutory Audit Committee.
ii. Finance, Investment and General-Purpose Committee.
iii. Establishment, Renumeration and Governance Committee.
iv. Risk and Audit Compliance Committee.
v. Strategy Committee

The Committees have clearly defined responsibilities, scope of authority and procedures for reporting to the Board. Membership of the Committees is structured to take optimum advantage of the skills and experience of Non-Executive Directors. The following are the standing Committees of the Board during the year under review:

Statutory Audit Committee

The Company established a Statutory Audit Committee in compliance with the Companies and Allied Matters Act, 2020, which comprises of three representatives of Shareholders (elected annually at the AGM), and two Non-Executive Directors during the year under review.

The Statutory Audit Committee met five times during the year under review – 13 March, 24 April, 25 July, 23 October and 21 November 2023. Membership and attendance at the meetings are as follows:

S/N	Members	Number of Meetings Held	Number of Meetings Attended
1	Engr. Olayiwola Tubun (Chairman)	5	5
2	Dr Nosike Agokei (NED)	5	5
3	Mr. N.S.R.Chandra Prasad (INED)	5	5
4	Mrs Anike Odusote – (Member)	5	5
5	Mr. Adebayo N. Shekoni – (Member)	5	5

Finance, Investment and General-Purpose Committee

The Finance, Investment and General-Purpose Committee comprises of 3 Non-executive Directors and 2 Executive Director. The Committee meets to review the investment guidelines of the Company, ensure that investments embarked upon by the Management are in line with Regulatory and Board Guidelines and also considers other miscellaneous issues. Mrs Aderonke Adedeji. Chaired the Committee during the year under review. The Committee met six times in the year under review as follows: 23 February, 24 April, 26 May,24 July, 23 October and 24 November 2023.

S/N	Members	Numbers of Meetings Held	Number of Meetings Attended
1	Mrs. Aderonke Adedeji – NED	6	6
2	Mr. N.S.R.Chandra Prasad - INED	6	6
3	Mr. Rajesh Kamble -MD	6	6
4	Mr. Vivek Kalla -ED	6	6
5	Mr. Agrawal Ramakant -NED	6	2

Establishment, Remumeration and Governance Committee

The Establishment, Remuneration and Governance Committee comprises three Non-Executive Directors. Dr Nosike Agokei chaired the Committee which primarily considers general staff matters. The Committee met on 13 February, 17 April, 10 July and 17 October 2023 as reflected below:

S/N	Members	Number Meetings Held	Number of Meetings Attended
1	Dr Nosike Agokei - NED	4	4
2	Mr. N.S.R. Chandra Prasad - INED	4	4
3	Mrs. Aderonke Adedeji - NED	4	4

Risk Audit and Compliance Committee

The Risk, Audit and Compliance Committee comprises of 3 Non-Executive Directors. The Committee's term of reference is to fundamentally ensure that the Company's operations comply with the Enterprise Risk Policy as approved by the Board in line with regulatory requirements. The Committee met on 28 February, 11 April, 17 July, and 20 October 2023.

S/N	Members	Number Meetings Held	Number of Meetings Attended
1	Mr. N.S.R. Chandra Prasad - INED	4	4
2	Dr Nosike Agokei - NED	4	4
3	Mr. Agrawal Ramakant - NED	4	2

Strategy Committee

The Board Strategy Committee is saddled with the implementation of the Company's Strategic Plan and to help the Board to fulfil their responsibility for the overall corporate strategy.

Mr. N.S.R. Chandra Prasad Chaired the Committee during the year under review. The Committee met six times in the year under review as follows: 21 February, 19 April, 18 July, 9 Aug, 18 October and 8 November 2023.

S/N	Members	Number Meetings Held	Number of Meetings Attended
1	Mr. N.S.R. Chandra Prasad - INED	6	6
2	Mrs. Aderonke Adedeji – NED	6	6
3	Dr Nosike Agokei - NED	6	6
4	Mr. Rajesh Kamble – MD	6	6
5	Mr. Vivek Kalla -ED	6	5

Roles of Key Members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman

The main responsibility of the Chairman is to lead and manage the Board to ensure that it is administered effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board to take informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman also manages the input of Non-executive Directors to promote effective relationships and open communications, (both inside and outside) the Boardroom, between Executive and Independent Non-executive Directors. The Chairman strives to ensure that any differences on the Board are resolved amicably.

The Chief Executive Officer

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

The Company Secretary

The Company Secretary is a point of reference and support for all Directors. She is responsible for updating the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly. The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate an annual Board Plan with the administration of other strategic issues at the Board level; organize Board meetings and ensure that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

Director Nomination Process

The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new Non-executive Directors are agreed upon by the Board. The balance and mix of appropriate skills and experience of Non-executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from diverse background. The Shareholding of an individual in the Company is not considered a criterion for the nomination or appointment of a director. The appointment of Directors is subject to the approval of NAICOM. The following core values are considered critical in nominating a new director; (i) Integrity (ii) Professionalism (iii) Career Success (iv)Goodwill (v) Ability to add value to the Organization Induction and Continuous Training of Board Members.

Training of Board Member

On appointment to the Board and to Board Committees, all Directors receive a formal induction tailored to meet their individual requirements. The New Directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on operations. The Directors are also given a mandate and terms of reference to aid in performance of their functions. Management further strives to acquaint the new Directors with the operations of the Company via trainings/seminars to the extent desired by new Directors to enable them function in their position. The training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

Annual Board Appraisal

The Corporate Governance Guidelines for the Insurance Industry recognizes the fact that good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in Board performance, as well as the Company's compliance status with the provisions of NAICOM.

The General Meeting of the Company

This is the highest decision-making body of the Company. The Company is driven by its desire to deliver significant returns on its shareholders investment. The shareholders have an opportunity to express their concerns (if any) and opinions on the Company's financial results and all other issues at the Annual General Meeting of the Company. The Meetings are conducted in a fair and transparent manner where the regulators are invited such as The National Insurance Commission, the Securities and Exchange Commission, Corporate Affairs Commission, the Auditors as well as other Shareholder's Associations. The Company also dispatches its annual reports, providing highlights of all the Company's activities to its shareholders.

Protection of Shareholders Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication Policy

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities. Furthermore, the Board and Management of the Company ensures that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, www.prestigeassuranceplc.com.

Feedback

The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used in future activities.

Independent Advice

The Board of Directors are at their own discretion and at the Company's expense required to seek Independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

Insider Trading and Price Sensitive Information

The Company is clear in its prohibition of insider trading by its Board, management, Officers and related persons who are privy to confidential price sensitive information. Such persons are further prohibited from trading in the Company's securities where such transactions would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Code of Professional Conduct for Employees

The Company has an internal Code of Professional Conduct, which all members of staff are expected to subscribe to upon assumption of duties. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, culture and policies of the Company relating to employee values.

Mrs Chidinma Ibe-Louis
Company Secretary
FRC/2021/PRO/ICSAN/002/00000023803

PRESTIGE ASSURANCE PLC

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the Companies and Allied Matters Act, 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2023 and report as follows:

The accounting and reporting policies of the Company are consistent within legal requirements and agreed ethical practices, and also in accordance with International Financial Reporting Standards.

The scope and planning of the external audit were adequate.

The Company maintained effective systems of accounting and internal control during the year.

Having reviewed the External Auditor's findings and recommendations on management matters, we are satisfied with management responses thereon.

Dated this 16.....May 2024

Engr. Olayiwola Tobun
Chairman – Statutory Audit Committee
FRC/2013/ PRO/AUDITCOM/002/00000003231

Members of the Statutory Audit Committee

Engr. Olayiwola Tobun	-	Shareholder/Chairman - FRC/2013/PRO/AUDITCOM/002/00000003231
Dr. Nosike Agokei	-	Non-Executive Director – FRC/2014/PRO/ICAN/002/00000008525
Mr. N.S.R. Chandra Prasad	-	Independent Non-Executive Director
Mrs. Anike Odusote	-	Shareholder-FRC/2021/PRO/AUDITCOM/002/00000024308
Mr Adebayo N. Shekoni	-	Shareholder-FRC/2024/PRO/AUDITCOM/002/019458

PRESTIGE ASSURANCE PLC

SUSTAINABILITY AND CORPORATE RESPONSIBILITY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

As Insurance services provider with an obligation to comply with international best practices and Corporate Governance, Prestige Assurance Plc ensures that its operations comply with international performance standards and applicable national environmental and social regulations.

The principles of Sustainability are deeply entrenched in Prestige's core values and system, so sustainability is in our 'Modus Operandi'.

We are conscious of the economic, social and environmental impact of our activities; placing importance on people and our environment, even as we try to make it a better place.

At Prestige, we look at sustainability from a broad horizon and in an all-encompassing way.

In conducting our business, we take into consideration ethical values in our business relationship and at the same time addressing some of the biggest challenges faced by our society.

During the 2023 financial year under review, new accounts were opened for various categories of people and businesses. The Company has also strived to meet the needs of Clients and making our products more accessible with the opening of our E - business unit further reducing barriers to Insurance services by increasing number of people with access to these services by providing more digital options.

Human Resources Management is important for retaining and attracting the best human resources for sustainable development.

At Prestige we respect both the employees and labour Laws in all aspects of our business operations and activities.

It is our belief that social equity needs to be fair and just distribution of economic and environmental resources should be taken into consideration.

Costs Benefits Analysis (CBA) are tools used to participate in decision-making processes which is thoroughly integrated into the working conditions of the Company. The health and safety of our employees and clients is of utmost importance at Prestige. Thus, we are at the fore front of the Eye care treatment with visits to the Eye Bank of Nigeria, creating awareness about key health issues. We at Prestige are aware that "poor environmental quality" is directly responsible for about 25% of all preventable ill health in the world today, with diarrheal diseases and acute respiratory infections (ARI), such as pneumonia topping the list. Other diseases such as malaria, schistosomiasis, other vector-borne diseases, chronic respiratory diseases, childhood infections are also strongly influenced by adverse environmental conditions.

We encourage our staff to carry out routine health check-ups to ensure that they are in perfect health, as human capital is vital for our sustainability efforts.

Also, waste production and mismanagement of resources, for example, are both conditions that affect health. Poor health and a decreasing quality of life are known to dis-empower the most vulnerable set of people.

Corporate Governance on environmental and social life is an important aspect of our commitment to sustainable practices an insurance institution. We strive to achieve a high level of corporate governance by essentially balancing the interest of all our stakeholders. We acknowledge that it is not enough for a Company to be profitable but also strive to demonstrate a global standard practice of corporate governance. Typically, the board is charged with overseeing corporate governance practices Group wide. One of the tenets of corporate governance is ensuring that there are clear lines of responsibility, authority and accountability and making sure appropriate responsibilities and measures are in place.

The Company appointed an Executive Director Operation/Risk who is responsible for establishing the risk culture throughout the company, while ensuring the sustainable development and growth of the company, to enable the staff to continue in their efforts to guide, implement and promote the sustainable principles in the Company.

Environmental and Social Risk Management has been incorporated into the company's enterprise risk management framework, especially in the delivery of our core business activity. We carry out Social and Environmental Impact assessment prior to onboarding any business as our customers in the major sectors are subjected to a Know Your Customers (KYC) profiling.

We have continued in our efforts to reduce the use of paper to the barest minimum in our general operations. The use of e-mails, workflows, portals and other e-channels is encouraged. Also, Information to customers is sent electronically via text, phone calls and e-mails to protect the environment.

In terms of community support, we have continued to invest in the communities in which we have presence through our Corporate Social Responsibility efforts.

Capacity Building in this area of sustainability is a work-in-progress at Prestige Assurance Plc.

Reporting

Sustainability issues would be reported to the Board through its Risk Committee, which meets quarterly. This will enable the Board get the progress report in implementing the Board approved sustainability policy as part of its responsibility of setting the sustainability tone from the top.

The implementation of the Sustainability Principles and Policy of the Company remains a work in progress at ingraining the sustainability culture in the Company as we strive to regain our industry leadership position in an economically viable, socially relevant and environmentally responsible way.

Corporate Social Responsibility Report

Prestige Assurance Plc is committed to the principles and best practices of corporate social responsibility and prides itself as being a model corporate citizen.

The Company pursues its corporate social responsibility goals by contributing in strategic areas that are of immense importance to community development: Education, Environment and Economic Empowerment.

The Company recognizes that doing business in a sustainable manner means doing business in a way that empowers the present generation of Nigeria without compromising the future.

As in previous years, Prestige Assurance Plc in 2023 continued to intervene in the critical areas of the socio-economic environment that has the biggest potential to improve the livelihood and long-term sustainability of the Company and the Country in general.

Education
Quality education is crucial in developing the manpower needed by the Company to exploit emerging opportunities and propel the Company to higher levels of development.

The Company is therefore actively involved in a number of educational initiatives and projects with payment of educational allowance to Staff and giving of education grants to children of staff who have exceled in their academic endeavors.

Environment and Economic Empowerment
The Company has a scheme where-in students are engaged for their industrial attachment programme and transport fares are paid to them for the period of engagement.

PRESTIGE ASSURANCE PLC

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the Companies and Allied Matters Act, 2020, Management has reviewed the audited financial statements of the Company for the year ended 31 December 2023 and report as follows:

The accounting and reporting policies of the Company are consistent within legal requirements and agreed ethical practices.

The scope and planning of the external audit were adequate.

The Company maintained effective systems of accounting and internal control during the year.

The Nature of the Business

Prestige Assurance Plc is a non–life insurance business with over seventy years' experience in Nigeria. The Company's core areas of business include motor, marine, bond, engineering, fire, aviation, oil and gas and general accident.

The Company is known for providing expertise knowledge especially in high-risk businesses such as aviation, marine, and oil and gas.

Our Company is known for prompt settlement of claims and other support as it may be necessary.

The major bulk of our business comes from brokers market and support from the parent Company in form of referral.

Management Objectives

(i) To be in the forefront of risk carrying in Nigerian insurance market, with a penchant for quality products and efficient service delivery to our esteemed customers.

(ii) To position the Company amongst the best insurance companies in Nigeria.

(iii) To ensure that values are created for the stakeholders.

(iv) To be an ethical Company among the listed institutions in Nigeria and the world at large.

Our Strategies

In order to meet the above objectives, the management of the Company have put the following strategies in place:

(i) The Company has instituted sound corporate governance in order to drive both the internal process and the business environment.

(ii) Adequate reinsurance has been put in place to absorb the impact of high risk which may likely occur due to the area of specialisation of the Company.

(iii) Aside from the normal business, the Company also provides add on services such as customer education, policy audit and lease financing.

Our Strategies – Continued

(iv) The Company engages in training and empowerment of her workforce to meet up with the challenges of modern business.

(v) It is also in the current agenda of the Company to recruit more hands with specialised skills to compete favorably in the industry.

(vi) The Company has also fulfilled civil responsibility and promised to do more to better the interest of stakeholders at large.

Our Resources, Risks and Relationship

Our most valuable resources are our human capital. The staff welfare is paramount to the Company. Non-human resources are of small relevance without appropriate personnel to drive the system.

Insurance business is a kind of business that is full of risk known as insurable risks.

This is a known risk but which the likelihood and magnitude of the occurrence is not certain.

The Company has put in place a balanced re-insurance policy to absorb the impact of such risks at any time in future.

Aside from this, the Company is also faced with diverse risks which are financial and non-financial in nature.

Several strategies are already in place to mitigate their negative impact on the business and the Company.

Prestige Assurance Plc is a subsidiary of The New India Assurance Company Limited, Mumbai, India. Our parent Company is one of the largest insurance business undertakers across the Afro-Asia continent (except Japan). The parent Company provides support to us in all ramifications which had impact positively in term of skills and financial status to underwrite high risk businesses rarely underwritten by the local companies.

Financial Results and Prospects

For the year ended 31 December 2023, the insurance revenue increased by N2,041million compared with previous year as a result of improvement in marketing techniques and prompt claim settlement.

Insurance service result for the year reduced by N3,683,000 when compared with the previous year. Whilst profit for the year increased by N808 million compared to prior year.

The total assets of the Company increased by ₦5,812 million when compared with 31 December 2022.

PRESTIGE ASSURANCE PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their report on the affairs of Prestige Assurance Plc ('the Company'), together with the audited financial statements and auditor's report for the year ended 31 December 2023.

LEGAL FORM AND PRINCIPAL ACTIVITIES

The Company is a subsidiary of New India Assurance Limited was established on 18 August 1918 and incorporated on 6 January 1970. The Company is regulated by the National Insurance Commission of Nigeria (NAICOM).The principal activities of the Company continue to be non-life insurance business. There were no changes in the activities of the Company during the year under review.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory.

RESULTS FOR THE YEAR

	2023 ₦'000	Restated 2022 ₦'000
Profit before income tax expense	1,403,844	586,331
Income tax expense	(17,180)	(29,552)
Minimum tax expense	(76,213)	(54,521)
Profit for the year	1,310,451	502,258

DIVIDEND
At the Company's 110th meeting of the Board of Directors, the sum of 2kobo per ordinary share of 50kobo each has been proposed as dividend for approval by the shareholders for the year ended 31 December 2023 (2022:NIL).

DIRECTORS

The names of the Directors as at the date of this report and those who held office during the year are as follows:

Mrs. Funmi Oyetunji	-	Chairman
Mr. Rajesh Kamble	-	Managing Director
Mrs. Rekha Gopalkrishnan*	-	Non-Executive Director
Mr. N.SR. Chandra Prasad*	-	Independent Non-Executive Director
Dr. Nosike Agokei	-	Non-Executive Director
Mr. Vivek Kalla*	-	Executive Director
Mr Agrawal Ramakant*	-	Non-Executive Director
Mrs. Neerja Kapur*	-	Non-Executive Director
Mrs Smita Srivastava*	-	Non-Executive Director (Appointed 26 July 2023)
Mrs. Aderonke Adedeji	-	Non-Executive Director (Representing Leadway Assurance Company Limited)

*These directors are of Indian nationality and are representing the parent company New India Assurance Company Limited.

PRESTIGE ASSURANCE PLC

REPORT OF THE DIRECTORS - CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with Article 96 of the Company's Articles of Association, retiring and appointed director during the year under review have been disclosed above.

Directors' Interests in Share Capital

The interest of the Directors in the issued share capital of the Company as recorded in the registrar of Members is as follows:

S/N	Names	DATE	Organization	No. of Shares as at 31 December 2023		No. of Shares as at 31 December 2022	
				Direct	Indirect	Direct	Indirect
1	Mrs Funmi Oyetunji		(Independent Non-Executive Director)	11,844		11,844	
2	Mr Prasad N.S.R		-	4,415,594	-	4,415,594	-
3	Mrs. Aderonke Adedeji		Leadway Assurance Company Limited	-	807,389,393	-	807,389,393
4	Dr. Nosike Agokei			102	-	102	-
5	Mr. Agrawal Ramakant			-	-	-	-
6	Mrs. Neerja Kapur			-	-	-	-
7	Mrs. Rekha Gopalkrisknan			-	-	-	-
8	Mr Rajesh Kamble			-	10,379,522,933	-	10,379,522,933
9	Mr. Vivek Kalla			-	-	-	-
10	Mrs Smita Srivastava	Appointed 26 July 2023					

Directors' Interest in Contracts

No Director has given notice for the purpose of the Companies and Allied Matters Act, 2020, to the effect that he is a member of a Company which could be regarded as interested in a contract with the Company.

PRESTIGE ASSURANCE PLC

REPORT OF THE DIRECTORS - CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

Major Shareholders

As at the date of this report, no person or Company held more than 5% of the Issued Share Capital except:

	2023 50k Share Number	%	2022 50k Share Number	%
The New India Assurance Company Limited, Mumbai	10,379,522,933	78.32	10,379,522,933	78.32
Leadway Assurance Company	807,389,393	6.1	807,389,393	6.1

Employment of Disabled Persons

The Company has no employee recorded as disabled. It is, however, the Company's policy to consider physically challenged persons for employment bearing in mind the aptitudes and abilities of the applicants concerned and facilities available to them.

Health and Welfare of Employees

The Company subsidizes the medical and transportation expenses of staff and grants them Housing and Lunch allowances. There is a Group Life Insurance Policy for all categories of staff gratuity and pension scheme.

In addition, the Company gives education grants in Higher Institutions to one brilliant child per employee.

Employee's Training and Development

The employees are the Company's most valuable and cherished resource. The Company is therefore committed to their continuous training and development which cut across all categories of staff.

The courses are aimed at broadening their technical/professional knowledge as well as managerial skills to keep them abreast with new developments in the industry.

During the year under review, the Company utilized the professional training services of several organizations for the benefit of staff.

Property, Plant and Equipment

Changes in property, plant and equipment during the year is shown in Note 23 of the financial statements. In the opinion of the directors, the market value of property, plant and equipment is not less than the value indicated in the financial statements.

Charitable Donations and Contributions

Donations and corporate social responsibility during the year ended 31 December 2023 amounted to ₦10,368,942 (2022: 3,340,447)

Events after reporting date

There were no significant events after the reporting date that would have affected the true and fair view of the Company's state of affairs and disclosures in the financial statements as at that date.

Auditor

Ernst & Young will not continue as the Company's auditor at the end of this year due to lapse of tenure, upon reaching the statutory term limit in line with Section 6.0 of the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria 2021. New auditor would be appointed at the next Annual General Meeting.

By Order of the Board

Mrs Chidinma Ibe Louis
Company Secretary
FRC/2021/PRO/ICSAN/002/00000023803
19, Ligali Ayorinde Street
Victoria Island, Lagos

Dated: 16...... May 2024

PRESTIGE ASSURANCE PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

In line with the provision of Section 405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2023 and based on our knowledge confirm as follows:

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

b) The audited financial statements and all other financial information included in the statements give a true and fair view of the financial condition and results of operation of the Company as of and for the period ended 31 December 2023

c) The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit.

d) The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2023.

e) That we have disclosed to the Company's auditor and Audit Committee the following information:

(i) there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summaries and report financial data, and have discussed with the auditor any weaknesses in internal controls observed in the cause of audit.

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

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

....
Mr. Rajesh Kamble
Managing Director/CEO
FRC/2022/PRO/DIR/003/821882

....
Mr. Emmanuel Oluwadare
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000003649

16..... May 2024

PRESTIGE ASSURANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;

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

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

The Directors accept responsibility for the preparation and fair presentation of the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standard Board, and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and the Financial Reporting Council of Nigeria(Amendment) Act, 2023.

The Directors are of the opinion that the audited financial statements show the true and fair view, in all material respects, the state of the financial affairs of the Company and of its profit and other comprehensive income. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the audited 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.

....	....
Mrs. Funmi Oyetunji	Mr. Rajesh Kamble
Chairman	**Managing Director/CEO**
FRC/2018/PRO/DIR/003/00000017879	FRC/2022/PRO/DIR/003/821882

16 May 2024

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

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www.ey.com

Independent Auditor's Report

To the Members of Prestige Assurance Plc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prestige Assurance Plc. ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the relevant policy and circulars issued by the National Insurance Commission (NAICOM), and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	How the matters were addressed in the audit
Disclosure of the impact of the adoption of International Financial Reporting Standards (IFRS) 17 - Insurance contracts Effective 1 January 2023, the Company transitioned to IFRS 17: 'Insurance Contracts' which replaced the existing standard for insurance contracts, IFRS 4 'Insurance Contracts'. The disclosure of the impact of the adoption of IFRS 17 is a key audit matter as this is a new and complex accounting standard which has required considerable judgment and assumptions in its implementation, and introduced a number of significant changes, including new requirements regarding the measurement and presentation of insurance contracts and related account balances and classes of transactions. The Company applied the Premium Allocation Approach (PAA) of IFRS 17 Insurance Contract in the current year with retrospective effects on 1 January 2022 and 31 December 2022. • PAA eligibility assessment; • Accounting policies; • Methodology used to determine discount rates at transition date; • Risk adjustments and expenses included within the fulfilment cashflows *Refer to Note 2.3.1 Changes to classification and measurement and Note 44 Transition disclosures in the financial statements for the disclosures on the impact of adopting IFRS 17.*	We performed, amongst others, the following audit procedures: • gained a detailed understanding of the process to estimate the transitional adjustments and obtained an understanding of relevant controls; • evaluated the appropriateness of key technical accounting decisions, judgments, assumptions and elections made in determining the estimate against the requirements of the standard; • involved our internal actuarial specialists in performing procedures to verify the Company's IFRS 17 calculation models, including those related to the testing of PAA eligibility, the estimate of the fulfilment cash flows, the risk adjustment and discounting; and • tested the IAS 8 disclosures related to the transition impact and reconciled the disclosed impact to underlying accounting records.
Valuation of insurance contract liabilities The Company has material insurance contract liabilities of ₦10.3billion (2022: ₦7.8billion) representing 88% (2022: 88%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit.	In conjunction with our internal actuarial specialists, we performed the following audit procedures: • obtained and documented our understanding of the entity's basis of valuation; • agreed schedules to the general ledger and test the completeness and accuracy of the subledgers; • reviewed the accuracy of contract classifications for reporting under IFRS 17;

<table>
<tr><th>Key Audit Matter</th><th>How the matters were addressed in the audit - continued</th></tr>
<tr><td>
Valuation of insurance contract liabilities - continued

The Company reviews its unexpired risk at reporting date. Provision for reported claims is based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported involve judgment and economic assumptions.

Consistent with the insurance industry practice and regulatory guideline, the Company engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year-end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.

Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities.

Insurance contract liabilities, related accounting policies and significant judgments and assumptions are disclosed in Notes 2.3 Insurance contracts and insurance contract liabilities and 25. respectively to the financial statements.
</td><td>

reviewed data items used as inputs (premium data and claims data) to valuation or valuation models, including those involved in retrospective and prospective liability calculations;
reviewed and confirmed the appropriateness of disclosures made in the financial statements as regards Insurance contract;
reviewed the policy and methodology papers;
reviewed consistency and accuracy of administration of claims and any other accounting data;
reviewed the reasonability of the assumptions and methodology used in the in the calculation of the statutory reserves as 31 December 2023 with reference to relevant legislation, professional guidance, and actuarial best practice;
evaluated the appropriateness of discount rates used as part of the liability for incurred claims/reinsurance amount recoverable on incurred claims calculations;
verified that the discount rates have been appropriately applied within the calculation of the liability for incurred claims;
reviewed the accuracy of data items used as inputs (premium data, claims data, assumptions etc.) to valuations or valuation models, including those involved in retrospective and prospective liability calculations;
verified the accuracy of contract classifications for reporting under IFRS 17;
verified claims/reinsurance amount recoverable on incurred claims; and
verified that the risk adjustment factors determined for the liability for incurred claims/reinsurance amount recoverable on incurred claims have been appropriately applied within the calculation of the liability for incurred claims/reinsurance amount recoverable on incurred claims.

</td></tr>
</table>

Key Audit Matter	How the matters were addressed in the audit - continued
Valuation of investment in unquoted equity instruments The Company has a material investment of ₦4.5 billion (2022: ₦2.8 billion) in unquoted equity instrument measured at fair value through other comprehensive income. The fair value of the investment is estimated using the Discounted Cash-Flows (DCF) method which requires significant estimates and assumptions including a financial forecast of the investee, growth rates, and discount factors. The significant judgment involved and uncertainty in relation to estimation of future cash flows and other assumptions make this an area of significance to our audit. Investment in unquoted equity instruments (including significant assumptions and judgments) and related accounting policies are disclosed in Notes 2.6 Financial instruments and 17.2 Equity instruments measured at fair value through other comprehensive income in the financial statements.	In conjunction with our internal valuation specialists, we performed the following audit procedures: • evaluated the appropriateness of the valuation methodology employed by the external expert and assessed the reasonableness of underlying assumptions used in determining the fair value of the investment in an unquoted equity instrument; • assessed the competence, capabilities, and objectivity of the external expert engaged by the Directors. We also verified and assessed the expert's qualifications and experience. We discussed the scope of work and confirmed that no scope limitations were imposed upon the expert by the Directors; and • reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with disclosure requirements of relevant accounting standards.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Prestige Assurance Plc. Annual Report for the year ended 31 December 2023", which includes Corporate Information, Corporate Governance Report, Report of the Audit Committee, Management Commentary and Analysis, Report of the Directors, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the relevant policy and circulars issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report

To the Members of Prestige Assurance Plc.-Continued

Report on the Audit of the Financial Statements – Continued

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020 and Section 28 (2) of the Insurance Act, 2003, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

- In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;

- The Company's statements of financial position and the statements of profit or loss and other comprehensive income are in agreement with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 29 May 2024.

Contraventions

As disclosed in Note 40 to the financial statements, the Company contravened certain circulars of the National Insurance Commission (NAICOM).

Babayomi Ajijola
FRC/2013/004/PRO/ICAN/00000001196
For Ernst & Young
Lagos, Nigeria
29 May 2024

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0679245

PRESTIGE ASSURANCE PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	2023 ₦'000	Restated 2022 ₦'000
Insurance revenue	3	13,547,046	11,505,162
Insurance service expenses	4	(12,330,181)	(11,548,060)
Insurance service result before reinsurance contracts held		1,216,865	(42,897)
Net (expense)/income from reinsurance contracts held	5	(598,266)	665,180
Insurance service result		618,599	622,282
Interest income calculated using the effective interest method	6	952,880	773,546
Other investment income	7	343,130	324,656
Net fair value gain/(loss) on financial assets at FVTPL	17.1	114,400	(9,704)
Net fair value gain on investment property	21	28,310	95,818
Credit loss (expense)/reversal on financial assets	10	(295,287)	3,248
Finance costs	11	(1,604)	(1,734)
Total Investment Income		1,141,828	1,185,830
Net insurance and investment result		**1,760,427**	**1,808,112**
Other operating income	8	834,650	23,586
Other operating expenses	9	(1,191,233)	(1,245,367)
Profit before income tax expense		1,403,844	586,331
Income tax expense	12.1	(17,180)	(29,552)
Minimum tax	12.1	(76,213)	(54,521)
Profit for the year		**1,310,451**	**502,258**
Other comprehensive income:			
Items within OCI that will not be reclassified to profit or loss in subsequent periods net of tax:			
Revaluation gain on equity instruments at fair value through other comprehensive income (net of tax)	13	1,566,805	340,966
Re-measurement (loss)/gain on defined benefit plan (net of tax)	13	(51,513)	14,645
Total other comprehensive income for the year, net of tax		1,515,292	355,611
Total comprehensive income for the year, net of tax		2,825,743	857,869
Basic earnings per ordinary share (kobo)	14	9.89	3.79
Diluted earnings per ordinary share (kobo)	14	9.89	3.79

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

Statement of Financial Position
As at 31 December 2023

		31 December 2023	31 December 2022 Restated	1 January 2022 Restated
Assets		₦'000	₦'000	₦'000
Cash and cash equivalents	16	2,859,462	3,427,637	4,311,842
Financial assets:				-
- *Fair value through profit or loss*	17.1	255,996	213,594	223,298
- *Equity instruments at fair value through other comprehensive income*	17.2	4,540,172	2,799,278	2,458,312
- *Debt instruments at amortised cost*	17.3	7,418,865	3,694,985	3,366,929
Trade receivables	18	240,047	125,063	28,169
Prepayments and other receivables	19	177,298	149,343	169,705
Reinsurance contract assets	25	7,408,454	6,721,476	6,117,344
Finance lease receivables	20	383,424	398,233	428,034
Investment property	21	2,711,212	2,682,902	2,587,084
Intangible assets	22	60,033	37,060	23,283
Property, plant, equipment and right-of-use assets	23	1,496,376	1,489,476	1,456,389
Statutory deposit	24	300,000	300,000	300,000
Total assets		27,851,339	22,039,047	21,470,389
Liabilities				
Insurance contract liabilities	25	10,293,551	7,806,285	7,291,677
Other reinsurance contract liabilities	26	55,198	25,304	-
Trade payables	27	62,205	9,866	318
Other liabilities	28	479,247	286,104	482,795
Retirement benefits obligation	29	296,260	195,839	207,102
Current income tax payable	12.2	90,282	121,638	88,504
Deferred tax liabilities	12.3	624,772	469,929	454,071
Total liabilities		11,901,514	8,914,965	8,524,467
Equity				
Share capital	30	6,626,281	6,626,281	6,626,281
Share premium	31	36,623	36,623	36,623
Retained earnings	33	1,121,661	257,526	808,292
Statutory contingency reserve	32	3,503,652	3,057,336	2,684,021
Gratuity valuation reserve	34.1	(21,895)	29,618	14,973
Fair value reserve	34.2	3,945,937	2,379,132	2,038,166
Property revaluation reserve	34.3	737,566	737,566	737,566
Total equity		15,949,825	13,124,082	12,945,922
Total liabilities and equity		27,851,339	22,039,047	21,470,389

These financial statements were approved by the Board of Directors and authorized for issue on 16 May 2024 and signed on its behalf by:

Mrs Funmi Oyetunji	**Mr. Rajesh Kamble**	**Mr. Oluwadare Emmanuel**
Chairman	**Managing Director/CEO**	**Chief Financial Officer**
FRC/2018/PRO/DIR/003/00000017879	**FRC/2022/PRO/DIR/003/821882**	**FRC/2013/PRO/ICAN/001/00000003649**

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

Statement of Changes in Equity
For the year ended 31 December 2023

	Notes	Share capital	Share premium	Retained earnings	Statutory contingency reserve	Gratuity valuation reserve	Fair value reserve	Property revaluation reserve	Total equity
		₦'000	₦'000	₦'000	₦'000		₦'000	₦'000	₦'000
Restated balance as at 1 January 2023		6,626,281	36,623	257,526	3,057,336	29,618	2,379,132	737,566	13,124,082
Profit for the year		-	-	1,310,451	-	-	-	-	1,310,451
Other comprehensive income net of tax	13	-	-	-	-	(51,513)	1,566,805	-	1,515,292
Total Comprehensive income net of tax				1,310,451		(51,513)	1,566,805		2,825,743
Transactions with equity holders, recorded directly in equity:									
Transfer to statutory contingency reserve	32		-	(446,316)	446,316	-	-		-
At 31 December 2023		**6,626,281**	**36,623**	**1,121,661**	**3,503,652**	**(21,895)**	**3,945,937**	**737,566**	**15,949,825**

Statement of Changes in Equity
For the year ended 31 December 2023

	Notes	Share capital	Share premium	Retained earnings	Statutory contingency reserve	Gratuity valuation reserve	Fair value reserve	Property revaluation reserve	Total equity
		₦'000	₦'000	₦'000	₦'000		₦'000	₦'000	₦'000
As at 1 January 2022		6,626,281	36,623	858,102	2,684,021	14,973	2,038,166	737,566	12,995,732
IFRS 17 Implementation adjustment				(49,810)					(49,810)
As at 1 January 2022 restated		6,626,281	36,623	808,292	2,684,021	14,973	2,038,166	737,566	12,945,922
Profit for the year				502,258					502,258
IFRS 17 Implementation adjustment		-	-	(480,921)	-	-	-	-	(480,921)
Other comprehensive income net of tax	13	-	-	-	-	14,645	340,966	-	355,611
Total comprehensive income net of tax			-	21,337	-	14,645	340,966	-	376,948
Transactions with equity holders, recorded directly in equity:									
Transfer to statutory contingency reserve	32	-	-	(373,315)	373,315	-	-	-	-
Cash Dividend	15	-	-	(198,788)	-	-	-	-	(198,788)
Restated balance as at 31 December 2022		**6,626,281**	**36,623**	**257,526**	**3,057,336**	**29,618**	**2,379,132**	**737,566**	**13,124,082**

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

Statement of Cash Flows
For the year ended 31 December 2023

	Notes	2023 ₦'000	*Restated 2022 ₦'000
Cash flows from operating activities			
Premiums received from policy holders	35.2a	14,762,216	12,346,924
Commissions received	35.2b	1,389,119	1,355,255
Commisions paid	35.2c(i)&c(iv)	(2,505,707)	(2,237,146)
Reinsurance premium paid	35.2b	(7,659,002)	(6,795,953)
Claims paid	35.2d(i)	(7,224,548)	(8,818,658)
Claims recoverable from re-insurers	35.2e	4,984,638	5,501,745
Other operating cash payments	35.1	(2,759,296)	(2,337,161)
Other operating cash receipts	8	3,203	9,243
Cash flows from/ (used in) operations		990,622	(975,750)
Income tax paid	12.2	(121,919)	(28,805)
Benefits paid	29	(20,375)	(29,607)
Net cash flows from/(used in) operating activities	35	848,329	(1,034,162)
Cash flows from investing activities			
Purchase of property, plant and equipment	23	(87,827)	(125,408)
Prepaid Lease payments	23	(16,895)	(35,557)
Proceeds from disposal of property, plant and equipment	35.2f	11,248	14,335
Purchase of intangible assets	22	(30,100)	(20,750)
Repayment of finance lease assets	20	303,978	335,338
Proceeds on redemption of debt instruments at amortised cost	17.3.1	200,484	169,415
Purchase of debt instruments at amortised cost	17.3.1	(2,922,643)	(747,665)
Proceeds from sale of financial assets at FVPL	17.1	98,196	-
Interest received		654,561	414,805
Other investment income	7	86,311	89,171
Dividends received	7	230,622	235,485
Net cash flows (used in)/from investing activities		(1,472,066)	329,169
Cash flows from financing activities			
Repayment of principal portion of lease liabilities	28.3	-	(210)
Dividend paid	33	-	(198,788)
Net cash flows used in financing activities		-	(198,998)
Net decrease in cash and cash equivalents		(623,738)	(903,991)
Cash and cash equivalents at beginning of year		3,427,637	4,311,842
Effects of exchange rate changes on cash and cash equivalents		55,563	19,786
Cash and cash equivalents at end of year	36	2,859,462	3,427,637

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

a) Prestige Assurance Plc ("the Company") was incorporated on 6 January 1970. The Company is a subsidiary of New India Assurance Limited which was established on 18 August 1918.

Its registered office is located at 19, Ligali Ayorinde Street, Victoria Island, Lagos, Nigeria.

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM).

The financial statements for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Directors on 16 May 2024.

b) Principal activity

The Company is licensed to carry out non-life insurance business. The Company provides cover in all classes of insurance, basically non-life treaty and facultative insurance, backed by reinsurer in the London and African reinsurance markets. The products and services by the Company cut across general accident, energy, fire, marine, workers compensation, terrorism and bond.

2. Material accounting policies

2.1 Introduction to material accounting policies

The material 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.

2.2 Basis of presentation and preparation

The financial statements of Prestige Assurance Plc have been prepared on a going concern basis and is presented in order of liquidity. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board. Additional information required by national regulations, the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria (Amendment) Act,2023, Insurance Act, 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, the summary of material accounting policies and the notes to the financial statements.

b) Basis of measurements

The preparation of these financial statements has been based on the historical cost basis except for investment properties, land and building, financial assets at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

b) Basis of measurements-continued

the fair value of the consideration given in exchange for assets at acquisition date. In accordance with IFRS 17: Insurance Contracts , the Company has applied existing accounting policies for its non-life insurance contracts, modified as appropriate to comply with the IFRS Accounting Standards framework.

2.3 Insurance contracts and insurance contract liabilities (Policy applicable from 1 January 2023)

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.
The Company has restated comparative information for 2022 applying the transitional provisions to IFRS17. The nature of the changes in accounting policies can be summarised, as follows:

2.3.1 Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts.
The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.
Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.

- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart

- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non- financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)

- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Insurance acquisition cash flows are immediately expensesd including those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.3.2 Changes to presentation and disclosure

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

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

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

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

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

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims
- Instead, IFRS 17 requires separate presentation of:
    - Insurance revenue
    - Insurance service expenses
    - Insurance finance income or expenses
    - Income or expenses from reinsurance contracts held.

The Company provides disaggregated qualitative and quantitative information about:

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

2.3.3 Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.

NOTES TO THE FINANCIAL STATEMENTS-continued
2. Material accounting policies-continued
2.3.3 Transition-continued

- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

2.3.4 Full retrospective approach.
On transition to IFRS 17, the Company has applied the full retrospective approach to all contracts issued.

2.4 Foreign currency translation

I. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira which is the Company's functional and presentation currency.

II. Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency at the spot rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss.

2.5 Cash and cash equivalents
For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.6 Financial instruments

a) Recognition and initial measurement

- **Initial recognition**

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The Company uses trade date accounting for regular way contracts when recording financial assets transactions.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.6 Financial Instruments – continued

- **Day 1 profit or loss**

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred. The deferred amounts are recognised in profit or loss when there is a change in a factor (including time) that market participants would take into account when pricing the asset or liability. On this basis, the Company has assessed that amortising the deferred amount on a straight-line basis is appropriate. Any outstanding amount is immediately recognised in profit or loss when the instrument is derecognised or when the input(s) becomes observable.

b) Amortised cost and gross carrying amount.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

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

c) Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

d) Classification of financial instruments

The Company classifies its financial assets under IFRS 9, into the following measurement categories:

- those to be measured at fair value through other comprehensive income (FVOCI) without recycling (equity instrument),
- those to be measured at fair value through profit or loss (FVTPL) (equity instrument); and
- those to be measured at amortised cost (debt instrument).

The classification depends on the Company's business model (i.e., business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and interest – SPPI test). The Company also classifies its financial liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.6 Financial instruments – continued

e) Subsequent measurements

(i) Financial assets

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

✓ **Debt instruments**

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

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

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'. The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's gross carrying amount.

✓ **Equity instruments**

The Company subsequently measures all equity investments at fair value. The Company has designated its unquoted equity instruments to be measured at fair value through other comprehensive income (FVOCI) since the investments are not held for trading. For these instruments, the Company present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income (under Investment income) when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other equity financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/ (loss) gain on financial assets in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.6 Financial instruments – continued

Business Model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Insurer's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

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

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Insurer's stated objective for managing financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) assessment

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification. Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

(ii) Financial liabilities

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

2. Material accounting policies-continued

2.6 Financial instruments – continued

f) Reclassifications

The Company reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Company's operations.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets that are debt instruments. A change in the objective of the Company's business occurs only when the Company either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).
The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets

Financial liabilities are not reclassified after initial classification.

g) Modifications of financial assets and financial liabilities

(i) Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss statement. If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the year.

(ii) Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. This occurs when 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 interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.6 Financial instruments – continued

If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

h) Impairment of financial assets

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

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Agusto and Co. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company's debt instruments at amortised cost comprise quoted sovereign bonds, corporate bonds, and others that are graded in the top investment category. The Company's fixed income investment portfolio consists of Investment grade and low speculative bonds and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following.
- Disclosures for significant estimates Judgements and assumptions - Note 2.36
- Financial risk disclosures - Notes 43b in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.6 Financial instruments – continued

i) Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realization of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee. The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Company's procedures for recovery of amount due.

j) Forward looking information

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

- Inflation rate
- Prime lending rate
- Crude oil price

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

k) Derecognition of financial assets

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

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

2. Material accounting policies-continued

2.6 Financial instruments – continued

l) Derecognition of financial liabilities

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

m) 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.

2.7 Interest Income and expenses

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

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

When calculating the effective interest rate for financial instruments other than purchase or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchase or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised (excluding modifications) for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in profit or loss.

a) Amortised cost and gross carrying amount.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

2. Material accounting policies-continued

2.7 Interest income and expenses -continued

b) Calculation of interest income and expenses

The Company calculates interest income and expense by applying the effective interest rate to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial asset that have become credit-impaired subsequent to initial recognition and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cure and is no longer credit-impaired, then the Company reverts to calculating interest income on a gross basis.

2.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

2.9 Leases

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

I. Company as a lessee

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

✓ Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.9 Leases -continued

✓ **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease if that rate can be determined. if that rate cannot be determined, the Company shall use its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other liabilities (Note 29).

ii. Company as a lessor

Finance lease receivables are recognised when the Company transfers substantially all the risks and rewards of ownership of the leased assets to the lease. Investment in finance lease at commencement is initially recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else at the entity's incremental borrowing rate. The finance lease is recorded as a receivable, at an amount equal to the net investment in the lease.

Interest income on investment in finance lease is recognised in the profit or loss as investment income in the period the interest is receivable. An investment in finance lease is impaired using IFRS 9 expected credit loss model.

2.10 Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land (held by a lessee), is initially recognised at cost. Subsequently, investment property is carried at fair value at the reporting date determined by annual valuations carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as expense in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.10 Investment property-continued

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

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

2.11 Intangible assets

Intangible assets comprise computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised on straight line basis over the useful life of the asset.

Expenditure that is reliably measurable and meets the definition of an assets is capitalized.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Computer software	10 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2.12 Property, plant and equipment

i. Recognition and measurement

All property, plant and equipment are initially recorded at cost. They are subsequently stated at cost less accumulated depreciation and impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the assets. An asset is recognized when it is probable that the economic benefits associated with the item flow to the entity and cost can be reliably measured.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and 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

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.12 Property, plant and equipment -continued

its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated useful lives.

The estimated depreciation percentage for the current and comparative period are as follows:

Plant and machinery	12.5%
Buildings	2% of cost/valuation
Furniture, fittings and office equipment	10%
Computer equipment	33 1/3%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

iv. Revaluation of land and building

Property, plant & equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When a property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the profit or loss.

When the value of a property is as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in profit or loss.

When revalued assets are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the depreciation charged on the revalued amount and the lower depreciation which could have been charged on cost now reclassified from property revaluation reserve to accumulated losses but not through profit or loss.

The revaluation of land and building is carried out every three (3) years or when there are indications of significant changes in the value of the property whichever is shorter.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.12 Property, plant and equipment -continued

v. De-recognition

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

2.13 Statutory deposit

Statutory deposit represents a fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognised at the cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General(non-life) insurance business.

2.14 Insurance and reinsurance contracts classification (Policy with effect from 1 January 2023)

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

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities. The Company does not issue any contracts with direct participating features.

2.14.1 Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After identifying and separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

2.14.2 Level of aggregation

IFRS 17 defines the level of aggregation to be used for measuring insurance contracts and their related profitability. This is a key issue in identifying onerous contracts and in determining the recognition of profit or loss and presentation in the financial statements. The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together. IFRS 17 requires the company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios using the current lines of business framework with consideration for the reserving segmentation and product types within each line of business to support the definition of similar risk. These lines of business are Fire insurance, General accident, Motor insurance, Employer's liability, Marine insurance, Aviation, Oil and Energy, Engineering all risk, Bond, Goods-in-transit, Terrorism, Mediclaim, Agriculture insurance and Salary protection. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.14.2 Level of aggregation-continued

with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. Currently, there is no law or regulation that constrained the Company's practical ability to set a different price or level of benefits for policyholder with different characteristics.
The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

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

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Historical loss ratio
- Pricing information
- Results of similar contracts it has recognized
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

2. Material accounting policies-continued

2.14.2 Level of aggregation-continued

Contract boundary

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

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

Or

Both of the following criteria are satisfied:

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

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

2. **Material accounting policies-continued**

2.14.3 Measurement - Premium Allocation Approach

	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	All the Company's products with coverage period of one year or less are measured using the PAA. Where a contract has a coverage period of more than a year, the company will perform the PAA eligibility test as required, where the materiality level for difference in the liability for remaining coverage has been set at +/- 5%
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	The company uses a systematic and rational method for allocating insurance acquisition cash flows to groups of contract.
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For general business, LFRC would not be discounted except for certain contract (e, g construction contract). Where contracts have a coverage of more than one year, and where the time between the premium due date and start of coverage period exceeds one year, allowance must be made for accretion of interest on the LFRC (i.e. LFRC will be discounted).

Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	Not all claims incurred are settled within a year as such when the claims are settled after a year period, time value of money will be considered. The company has decided not to adjust for time value of money if the cashflow is expected within a year.
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	When insurance finance income or expenses is disaggregated between profit or loss and other comprehensive income, the amount of insurance finance income or expenses included in profit or loss is determined using the discount rate at the date of the incurred claim.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.14.4 Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

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

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

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

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

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

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

2.14.5 Reinsurance contracts held – initial measurement.

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

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

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.14.6 Insurance contracts – subsequent measurement

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

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

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

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

2.14.7 Reinsurance contracts held – subsequent measurement.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2.14.8 Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

(i) to that group; and

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies-continued

2.14.8 Insurance acquisition cashflows-continued

(ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

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

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.
After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.
The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist.

2.14.9 Insurance contracts – modification and derecognition
The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

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

2. Material accounting policies- continued

2.14.10 Presentation

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

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

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

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

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

2.15 Trade payables

Trade payables (i.e., insurance payables) are recognised when due and measured on initial recognition at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Trade payables include payables to agents and brokers, payables to reinsurance companies, payables to coinsurance companies and commission payable.

The fair value of a non-interest-bearing liability is its repayment amount. Trade payables are derecognised when the obligation under the liability is settled, cancelled or expired.

2.16 Provisions and other payables

Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the best of estimate of the expenditure required to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.17 Retirement obligations and employee benefits

The Company operates the following contribution and benefit schemes for its employees:

Defined benefit gratuity scheme

The Company has a defined benefit gratuity scheme for management and non-management staff. Under this scheme, a specified amount as determined by actuarial valuation is contributed by the Company and charged to the statement of profit or loss over the service life of each employee.

The Company recognizes the following changes in the net defined benefit obligation under ''the employee benefit expense''. Service costs comprising current service costs, past services costs, gains and losses on curtailment and non-routine settlements.

Employees are entitled to gratuity after completing a minimum of five continuous full years of service. The gratuity obligation is calculated annually by Independent Actuaries using the projected unit credit method. The present value of the gratuity obligation is determined by discounting the estimated future cash outflows using market yields on high quality corporate bonds. The liability recognized in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

Re-measurement arising from actuarial gains and losses are immediately recognized in the statement of financial position with corresponding debit or credit recognized in the retained earnings through OCI in periods in which they occur. Re-measurements are not reclassified in subsequent periods. Past service costs are recognized in the profit or loss on the earlier of:

- The date of plan amendment or curtailment and.
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset using the rate at the beginning of the period. The Company recognizes the net interest in the net defined benefit obligation under ''the employee benefit expense''.

Defined contribution pension scheme

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

Short-term benefits

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

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.18 Income taxes - Company Income Tax and Deferred Tax Liabilities

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differ from results as reported in the profit or loss because it includes not only items of income or expense that are taxable or deductible in other years, but it further excludes items that are never taxable or deductible. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is

2.18 Income taxes- Company income tax and Deferred Tax Liabilities -continued

based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The tax effects of carryforwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

2.19 Share capital and share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as ‘share premium’ in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.20 Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

2.21 Statutory contingency reserve

In compliance with Section 21 (2) of Insurance Act, CAP I17 LFN 2004, the contingency reserve is credited with the greater of 3% of gross premium written, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

2.22 Retained earnings

This reserve represents amount set aside out of the profits of the Company which shall at the discretion of the Directors be applicable for meeting contingencies, repairs or maintenance of any works connected with the business of the Company, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Company may lawfully be applied.

2.23 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the equity instruments designated at fair value through other comprehensive income. This amount cannot be recycled to profit or loss in subsequent period even if the instruments are derecognized.

2.23.1 Property revaluation reserve

Subsequent to initial recognition, an item of property, plant and equipment may be revalued to fair value. However, if such item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset, which was previously recognized as an expense, in which case it is recognized in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in profit or loss.

2.23.2 Gratuity valuation reserve

The gratuity valuation reserve comprises the cumulative net change in the re-measurement gain/(loss) on defined benefit plans.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.24 Prepayments and other receivables

a) Prepayments:
Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.
b) Other receivables:
Other receivables are recognised upon the occurrence of event or transaction as they arise, and derecognised when payment is received or utilised.

2.25 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. 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 but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities and contingent assets are never recognized rather they are disclosed in the financial statements when they arise.

2.26 Insurance revenue (Policy applicable with effect from 1 January 2023)

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

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

For the periods presented, all revenue has been recognised on the basis of the passage of time.

2.26.1 Loss Components

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

2. Material accounting policies- continued

2.26.2 Loss recovery components

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

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss - recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2.26.3 Insurance finance income and expenses

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

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

When the entire insurance finance income or expenses is included in profit or loss, the company discounts the incurred claims at current rates (i.e., the rate at the reporting date). When insurance finance income or expenses is disaggregated between profit or loss and other comprehensive income the amount of insurance finance income or expenses included in profit or loss is determined using the discount rate at the date of the incurred claim.

i. Net income or expense from reinsurance contracts held

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

2.27 Other Operating Expenses

Other operating expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of their origin.

2. Material accounting policies- continued

2.28 Finance income and expenses

Finance income and expense for all interest-bearing financial instruments are recognised within 'finance income' and 'finance costs' in the profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the finance income or finance costs over the relevant period. The effective interest rate is the rate that exactly discounts the expected 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 instrument.

The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Company estimates cash flows considering all contractual terms redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate.

Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.29 Income tax expense

Income tax expense comprises current income tax, education tax, police development levy, information technology development level and deferred tax. (See note 2.18).

2.30 Earnings per share

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

2.31 Trade Receivables

Trade receivables are recognized when due. The premium receivables arising from insurance contracts issued and include amounts due from agents, brokers and insurance contract holders. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" NAICOM policy.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.32 Statement of Cash Flows

A statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

According to IAS 7 Statement of Cash Flows, an entity shall report cash flows from operating activities using either:

(a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or
(b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

The Company has adopted the direct method in reporting cash flows from operating activities because it provides more details about operating cashflows which may be useful in estimating future cash flows.

2.33 Changes in accounting policies and disclosures

New and amended standards and interpretations.

The Company applied for the first-time IFRS 17 Insurance contracts which are effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had an impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.33 Changes in accounting policies and disclosures

b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments had no impact on the Company's financial statements.

c) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had an impact on the Company's consolidated financial statements.

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

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

‣ A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

‣ Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.32 Changes in accounting policies and disclosures-continued

New and amended standards and interpretations.

e) **International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12-continued**

quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and
b) Quantitative information such as:
‣ An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
‣ An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The Group has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments had no impact on the Company's consolidated financial statements at 31 December 2023.

2.34 **Standards issued but not yet effective.**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

a. Amendments to IFS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.33 Standard issued but not yet effective-continued

b. Classification of Liabilities as Current or Non-Current- Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying laibilities as current or non-current.
The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

c. Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

d. Lack of exchangeability – Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability-Amendments to IAS 21. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal

administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.33 Standard issued but not yet effective-continued

e. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions. The amendments are not expected to have a material impact on the Company's financial statements.

2.34 Significant accounting judgements estimates and assumptions

In the application of the Company's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

2.34.1 Critical judgments in applying the Company's accounting policies.

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

a) Insurance product classification and contract liabilities

The Company's non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 17, Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.1 Critical judgments in applying the Company's accounting policies- continued

b) Liability for remaining coverage

The company uses the following key assumption for its liability for remaining coverage. Earnings pattern for LRC (Liability for Remaining coverage) includes two (2) options under the PAA, they are:

- Pro-rata temporis (passage of time)
- Risk based curve

For insurance contracts which automatically qualify for PAA (i.e., with coverage period not exceeding 1 year), the passage of time or pro-rata temporis pattern will be used. This approach is almost identical to the 365th method that is currently used for determining IFRS 4 unearned premium reserves (UPR). However, contracts which automatically qualify for PAA does not necessarily imply that the uniform earnings curve will be appropriate. For example, seasonality of claim incidence under certain class of policy would normally require calibration of the earnings curve. But the default curve will be uniform unless facts and circumstances indicate otherwise, i.e., there is sufficient credible data and grounds that the incidence of risk may not be linear.

For contracts with coverage period exceeding 1-year, actuarial investigations will be conducted by deriving the claims incidence pattern using historical claims data. Actual observed claims incidence curve is tested for goodness of fit by applying standard statistical techniques. In the absence of credible claims data, an equivalent risk incidence curve will be sourced from our international reinsurers. If external risk curve is not available, then by default a uniform earnings curve will apply.

The selected earnings curve will be applied to both insurance and reinsurance contract.

c) Claims payment pattern for liability for incurred claims.

In estimating the claims payment pattern for liability for incurred claims, the company sets:

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

   Run off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by accident year cohorts.

   Methodology used for claims reserving is defined by the Company's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the Bornhuetter-Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.1 Critical judgments in applying the Company's accounting policies- continued

The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g., application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.
Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.

2. Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).

3. Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods.

4. For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.

5. Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles.

6. Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.

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

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

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.1 Critical judgments in applying the Company's accounting policies- continued

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

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

Insurance acquisition cash flows

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

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

Time value of money on liability for remaining coverage
For Engineering contracts and Marine cargo contracts, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. While for other business lines, the company has elected not to discount the liability for remaining coverage.

Discount rates
Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid high grade rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

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

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

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.2 Estimates and assumptions

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

a) Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed, and appropriate action taken to ensure that there are no going concern threats to the operation of the Company. The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the next 12 months ahead.

b) Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as FGN Bond interest rates) and is required to make certain entity-specific adjustments (such as the Company's stand-alone credit rating, or to reflect the terms and conditions of the lease) and assets specific adjustment (such as property yield).

c) Fair value of financial instruments using valuation techniques

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the Company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the Company estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.2 Estimates and assumptions

d) Valuation of Non-life insurance contract liabilities

For non-life insurance contract, estimates have to be made for the expected ultimate cost of all future payments attaching to incurred claims at the reporting date. These include incurred but not reported ("IBNR") claims. Due to the nature of insurance business, ultimate cost of claims is often not established with certainty until after the reporting date and therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of amounts due to contract holders. Actual results may differ resulting in positive or negative change in estimated liabilities.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Loss ratio method and BCL methods. The BCL method assumes that past experience is indicative of future experience i.e., claims recorded to date will continue to develop in a similar manner in the future while Loss ratio method is used for classes with limited claims payments or history and therefore a BCL method would be inappropriate. The loss ratio method allows for an estimate of the average ultimate loss ratio which needs to be assumed, it uses the incurred and paid to date loss ratio that have been experienced to date in previous accident years.

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, attitude to claiming, foreign exchange rates, judicial decisions and operational process.

Similar judgements, estimates and assumptions are employed in the assessment of losses attaching to unearned premium exposures. The methods used are based on time apportionment principles together with significant judgement to assess the adequacy of theses liabilities and the attached uncertainty. The carrying value at the reporting date of non-life insurance contract liabilities is N 10,204,183,475 (2022: N7,716,918,276).

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to the profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated, and this may also require additional impairment write-offs to the profit or loss.

e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement 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.

The carrying value at the reporting date of net deferred tax liabilities is N624,772,000 (2022: N469,929,000). Further details on taxes are disclosed in Note 12 to the financial statements.

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.2 Estimates and assumptions

f) Valuation of pension benefit obligation

The cost of defined benefit pension plans, and other post-employments benefits, and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 29 to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation is N295,260,089 (2022: N195,839,065).

g) Valuation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 December 2023. A valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 21 to the financial statements.

h) Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

i. S&P credit grading model of obligors which assigns PDs to the individual grades
ii. The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
iii. Development of ECL models, including the various formulas and the choice of inputs
iv. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment rates, inflation rate, GDP growth rate and crude oil price, and the effect on PDs, EADs and LGDs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.2 Estimates and assumptions.

h) **Impairment losses on financial assets**

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: The Company considers the obligor is unlikely to pay its credit obligations to the Company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case-by-case basis for non-homogenous portfolios, or by applying portfolio-based parameters to individual financial assets in this portfolio by the Company's ECL model for homogenous portfolios.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:

1) The contractual cash flows that are due to the Company under the contract; and
2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

NOTES TO THE FINANCIAL STATEMENTS-continued

2. Material accounting policies- continued

2.34 Significant accounting judgements estimates and assumptions-continued

2.34.2 Estimates and assumptions

i) Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

I. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.
II. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review.
III. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note (32) and note 2.22 to cover fluctuations in securities and variation in statistical estimates.
IV. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act as set out under note 4(c).
V. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid-up share capital with the Central Bank of Nigeria as set out under note 24;
VI. Section 25 (1) requires an insurance Company operating in Nigeria to invest and hold investment in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 17 for assets allocation that covers policy holders' funds.

The Financial Reporting Council of Nigeria Act No. 6, 2011 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the Financial Reporting Council of Nigeria Act No. 6, 2011 and other Acts which are listed in Section 59(1) of the Financial Reporting Council of Nigeria Act No. 6, 2011, the Financial Reporting Council of Nigeria Act No. 6, 2011 shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the Financial Reporting Council of Nigeria Act No. 6, 2011 has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

(i) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund.

2.35 Segment Reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors of Prestige Assurance Plc. It is the Board of Directors that has responsibility for planning and controlling the activities of the Company. Prestige Assurance Plc is a one segment i.e. non-life insurance business.

3 Insurance revenue

		2023	2022
		₦'000	₦'000
Motor Insurance	25.1 (a)	1,543,796	1,142,793
Aviation	25.1 (b)	361,559	352,385
Fire	25.1 (c)	5,836,283	4,507,053
General Accident	25.1 (d)	842,393	813,749
Marine	25.1 (e)	1,756,735	1,566,595
Bond	25.1 (f)	19,869	21,919
Oil and Energy	25.1 (g)	1,683,676	1,723,764
Engineering	25.1 (h)	298,376	277,835
Agriculture	25.1 (i)	31,185	69,269
Employers Liability	25.1 (j)	32,261	31,654
Goods in transit	25.1 (k)	895,218	787,900
Salary Protection	25.1 (l)	17,122	26,397
Terrorism & Political	25.1 (m)	86,436	62,486
Mediclaim	25.1 (n)	142,139	121,363
		13,547,046	11,505,162

4 Insurance service expenses

The breakdown of insurance service expenses by major product lines is presented below:

		2023				
		Incurred claims and other expenses	Amortisation of insurance acquisition cash flows	Changes in BEL related to LFIC	Changes in RA related to LFIC	Total Insurance service expenses
		₦'000	₦'000	₦'000	₦'000	₦'000
Motor Insurance	25.1 (a)	954,940	332,833	61,481	7,393	1,356,647
Aviation	25.1 (b)	355,631	89,450	287,472	41,654	774,207
Fire	25.1 (c)	3,963,391	1,687,790	(50,367)	73,959	5,674,773
General Accident	25.1 (d)	293,998	206,949	358,501	(70,867)	788,581
Marine	25.1 (e)	656,801	308,164	409,047	34,142	1,408,153
Bond	25.1 (f)	52,293	20,260	4,189	3,327	80,069
Oil and Energy	25.1 (g)	46,119	412,530	152,725	5,115	616,489
Engineering	25.1 (h)	94,686	105,356	123,169	6,259	329,470
Agriculture	25.1 (i)	20,859	3,572	5,635	353	30,419
Employers Liability	25.1 (j)	11,780	5,169	3,666	264	20,880
Goods in transit	25.1 (k)	1,238,126	167,490	(453,234)	(4,124)	948,258
Salary Protection	25.1 (l)	10,552	3,322	23,277	611	37,761
Terrorism & Political	25.1 (m)	26,280	60,641	5,426	271	92,620
Mediclaim	25.1 (n)	134,239	20,154	16,394	1,068	171,855
Total		7,859,694	3,423,681	947,380	99,426	12,330,181

4 Insurance service expenses-continued

		2022				
		Incurred claims and other expenses	Amortisation of insurance acquisition cash flows	Changes in BEL related to LFIC	Changes in RA related to LFIC	Total Insurance service expenses
		₦'000	₦'000	₦'000	₦'000	₦'000
Motor Insurance	25.1 (a)	249,872	238,600	581,861	5,330	1,075,664
Aviation	25.1 (b)	38,395	74,018	(20,004)	(460)	91,948
Fire	25.1 (c)	5,293,291	1,225,180	(989,086)	(42,898)	5,486,486
General Accident	25.1 (d)	489,320	203,383	237,342	86,949	1,016,994
Marine	25.1 (e)	1,092,195	273,542	929,527	48,923	2,344,187
Bond	25.1 (f)	2,719	7,559	(3,776)	(281)	6,221
Oil and Energy	25.1 (g)	232,084	384,960	(132,609)	(6,548)	477,887
Engineering	25.1 (h)	126,512	65,449	(396,522)	(90,320)	(294,881)
Agriculture	25.1 (i)	10,180	7,047	20,677	(635)	37,269
Employers Liability	25.1 (j)	6,269	6,196	(33,682)	(2,925)	(24,141)
Goods in transit	25.1 (k)	491,982	159,993	431,048	9,654	1,092,678
Salary Protection	25.1 (l)	72,245	4,251	884	-	77,380
Terrorism & Political	25.1 (m)	2,195	18,320	3,127	156	23,797
Mediclaim	25.1 (n)	27,262	12,790	96,104	414	136,570
Total		8,134,521	2,681,289	724,890	7,360	11,548,060

5 Net income or expense from reinsurance contracts held

		2023	2022
		₦'000	₦'000
Amounts recoverable from reinsurers			
Amounts recoverable for incurred claims and other expenses	25.2	4,662,394	3,741,545
Changes to amounts recoverable for incurred claims	25.2	580,039	1,708,756
		5,242,433	5,450,301
Allocation of reinsurance premiums	25.2	(5,840,699)	(4,785,121)
Net (expense)/income from reinsurance contracts held		(598,266)	665,180

		2023	2022
		₦'000	₦'000
6	**Interest income calculated using the effective interest method**		
	-Interest income on bonds and treasury bills	926,987	751,514
	-Interest income on call and deposit accounts	1,292	865
	-Interest income on statutory deposit	21,849	18,084
	-Interest income on staff and other loans	2,753	3,083
		952,880	773,546

		Notes	2023 ₦'000	2022 ₦'000
7	**Other investment income**	**Notes**		
	Dividend income	7.1	230,622	235,485
	Finance lease income		86,311	89,171
	Realised gains on financial assets at FVTPL		26,198	-
			343,130	324,656

7.1 This consists of N211.3 million (2022: N216.7 million) dividend received from the Company's investment in unquoted securities and N19.2 million (2022: N18.75 million) investment in quoted securities.

			2023 ₦'000	2022 ₦'000
8	**Other operating income**			
	Net foreign exchange gain	8.1	821,114	-
	Profit on disposal of property, plant and equipment		10,334	14,335
	Gain on derecognition of lease liabilities		-	8
	Insurance claims recovery		-	1,054
	Sundry income	8.2	3,203	8,189
			834,650	23,586

8.1 Foreign exchange gain majorly relates to exchange difference on foreign demoninated financial assets (Eurobonds).

8.2 Sundry income includes N1.169million charged on asset buy back by the lessor on finance lease. This also includes the sum of N1.066million received from Dana airlines and N968,000 which represent excess charge out on finance cost on lease liabilities in prior year now reversed. 2022 Sundry income includes N1.169million income generated from transferring ownership of finance lease assets at the end of the lease term.

		Notes	2023 ₦'000	2022 ₦'000
9	**Other operating expenses**			
	Wages and salaries - Administrative staff		313,626	230,246
	Office expenses		78,328	340,244
	Depreciation of property, plant and equipments & right-of-use assets	23	96,908	127,866
	Administrative expenses	9.1	379,736	302,811
	Professional fees	9.2	97,865	50,190
	Penalty	40	16,078	-
	Directors expense		38,283	44,708
	Subscription		15,940	16,963
	Printing expenses		29,885	27,739
	Auditor's remuneration	9.3	27,000	18,000
	Insurance expenses		25,160	21,846
	Advertisement and publicity		13,314	14,023
	Bank charges		20,901	23,788
	Amortisation	22	7,128	6,973
	Residential rates and other expenses		8,332	14,408
	Net foreign exchange loss		-	5,562
	Productivity bonus		22,749	
			1,191,233	1,245,367
	Included in salaries and wages:			
	Post employment benefits other than pensions	29	47,206	39,265

9 Other operating expenses-continued

9.1 Other administrative expenses include AGM expenses, office repairs and maintenance, office guard expenses, computarisation, NITDA, gift expenses and donations, also included in other adminstative expenses are staff training, staff welfare, travelling, medical.

9.2 Professional Fees includes fees paid to actuary consultants, tax services, estate valuers, legal counsel during the year

9.3 Ernst & Young, our auditor performed review of internal control over financial reporting services to the Company during the year. A fee of 5million naira was paid for this review.

10 Credit loss (reversal)/expense on financial assets

The table below shows the ECL charges on financial instruments for the year ended 31 December 2023 in profit or loss:

	2023			2022		
	Stage 1	**Stage 3**	**Total**	**Stage 1**	**Stage 3**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents (Note 16.1)	11,691	-	11,691	(3,796)	-	(3,796)
Finance lease receivables (Note 20.2)	(4,089)	-	(4,089)	(2,038)	(2,172)	(4,210)
Debt instruments measured at amortised costs (Note 17.3.1)	4,841	-	4,841	4,758	-	4,758
Impairment of claims recoverable	-	282,844	282,844	-	-	-
Total impairment loss	12,444	282,844	295,287	(1,076)	(2,172)	(3,248)

		2023	2022
		₦'000	**₦'000**
11 Finance costs			
Interest on lease liabilities	28.3	1,604	1,734

12 Taxation

12.1 Income tax expense

		2023	2022
Per statement of profit or loss :			
Minimum tax	12.2(i)	76,213	54,521
Corporate tax			
Tertiary education tax		-	2,475
NITDF levy		14,278	4,918
Police fund levy		71	25
Current income tax expense		90,562	61,939
Deferred tax charge-origination of temporary difference		2,831	22,134
Income tax expense		93,393	84,073

		2023	2022
		₦'000	₦'000
12.2	***Per statement of financial position:***		
	Current income tax payable		
	At 1 January	121,638	88,504
	Charged to profit or loss	90,562	61,939
	Payments during the year	(121,919)	(28,805)
	At 31 December	90,282	121,638
12.2(i)	Reconciliation of tax charge		
	Profit before income tax expense	1,403,844	586,331
	Tax at Nigerian's statutory income tax rate of 30%	421,153	175,899
	Non-deductible expenses	137,951	64,637
	Tax exempt income	(559,104)	(240,537)
	Minimum tax	76,213	54,521
	Deferred tax	2,831	22,134
	Tertiary education tax	-	2,475
	NITDF levy	14,278	4,918
	Police fund levy	71	25
	At effective income tax rate of 7% (2022 : 14%)	93,393	84,073
12.3	**Deferred Tax Liabilities**		
	Deferred tax (assets)/liabilities are attributable to the following items:		
	Deferred tax liabilities:		
	Accelerated depreciation	419,055	419,055
	Fair value gains on investment properties	162,291	159,460
	Fair value gains on equity instruments at FVOCI	174,089	-
		755,435	578,515
	Deferred tax assets:		
	Impairment on financial assets	(37,516)	(37,516)
	Employee benefits	(93,147)	(71,070)
		(130,663)	(108,586)
	Net	624,772	469,929

Notes to the financial statements - continued

		2023	2022
12	**Taxation - continued**		
12.4	**Movements in deferred tax liabilities during the year:**	**₦'000**	**₦'000**
	As at 1 January	469,929	454,071
	Recognised in profit or loss during the year:		
	Accelerated depreciation	-	12,552
	Fair value on investment properties	2,831	9,582
	Impairment on financial assets		-
	Total recognised in profit or loss	2,831	22,134
	Recognised in other comprehensive income during the year:		
	Employee benefits	22,077	6,276
	Equity instruments at FVOCI	(174,089)	-
	Total recognised in other comprehensive income on:	(152,012)	6,276
	At 31 December	624,772	469,929

13 Other comprehensive income, net of tax:

Year ended 31 December 2023

	Fair value gain of financial assets	Property revaluation gain	Loss on gratuity valuation	Total
Fair value gain on equity instruments designated at FVOCI	1,740,894	-	-	1,740,894
Remeasurement on staff gratuity scheme:				
Actuarial loss - Assumption (Note 29)	-	-	(20,739)	(20,739)
Actuarial loss - Experience (Note 29)	-	-	(52,851)	(52,851)
Income tax effect (Note 12.4)	(174,089)	-	22,077	(152,012)
	1,566,805	-	**(51,513)**	**1,515,292**

Year ended 31 December 2022

	Fair value gain of financial assets	Property revaluation gain	Gain on gratuity valuation reserve	Total
Fair value gain on equity instruments designated at FVOCI	340,966	-	-	340,966
Remeasurement on staff gratuity scheme:				
Actuarial gain- Assumption (Note 29)	-	-	9,215	9,215
Actuarial gain - Experience (Note 29)	-	-	11,706	11,706
Income tax effect (Note 12.4)	-		(6,276)	(6,276)
	340,966	**-**	**14,645**	**355,611**

Notes to the financial statements - continued

14 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
The following reflects the income and share data used in the basic earnings per share computations:		
Net profit attributable to ordinary shareholders (=N='000)	1,310,451	502,258
Weighted average number of shares for the year ('000)	13,252,562	13,252,562
Basic earnings per ordinary share (kobo)	9.89	3.79
Diluted earnings per ordinary share (kobo)	9.89	3.79

15 Distributions made and proposed

	31 December 2023	31 December 2022
Cash dividends on ordinary shares declared and paid:	**₦'000**	**₦'000**
Final dividend for 2023 N0.2K :(2022: 0.015k/share)	-	198,788

16 Cash and cash equivalents

Balances with local banks	1,311,329	647,934
Balances with foreign banks	6,287	2,902
Deposits and placements with local banks	1,553,685	2,776,949
	2,871,301	3,427,785
Less: Allowance for ECL	(11,839)	(148)
	2,859,462	3,427,637

Deposits and placements with local banks for the reporting year includes fixed deposits with local banks with 3-months average maturity period.

16.1 Gross carrying amount and impairment allowance for cash and cash equivalents

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for cash and cash equivalents is as follows:

	2023		2022	
	Gross carrying amount	ECL	Gross carrying amount	ECL
			₦'000	₦'000
As at 1 January	3,427,785	148	4,315,786	3,944
New assets originated or purchased	2,871,301	11,839	3,427,785	148
Assets derecognized or repaid (excluding write offs)	(3,427,785)	(148)	(4,315,786)	(3,944)
At 31 December	**2,871,301**	**11,839**	**3,427,785**	**148**

Notes to the financial statements - continued

		31 December 2023	31 December 2022
17	**Financial assets**	₦'000	₦'000
	Financial assets at fair value through profit or loss (Note 17.1a)	255,996	213,594
	Equity instruments measured at FVOCI (Note 17.2)	4,540,172	2,799,278
	Debt instruments at amortised cost (Note 17.3)	7,418,865	3,694,985
		12,215,033	6,707,857
17.1	**Financial assets at fair value through profit or loss**	255,996	213,594
a)	Movement of the fair value through profit or loss		
	At 1 January	213,594	223,298
	Disposal	(98,196)	-
	Realised gains on financial assets at FVTPL	26,198	-
	Net fair value gain/(loss) on assets at FVTPL	114,400	(9,704)
	At 31 December	255,996	213,594

b) The below shows the proceed on disposal of financial assets at fair value through profit or loss

	Equity assets disposed - fair value at 1 January	71,998	-
	Realised gains on financial assets at FVTPL	26,198	-
	Proceeds from sale of financial assets at FVPL	98,196	-
17.2	**Equity instruments measured at fair value through other comprehensive income**		
	Leadway PFA scheme share	3,741,120	2,366,957
	Leadway Protea Hotel Ltd	180,403	128,855
	Nigerian Insurers Association pool	288,461	146,584
	Waica Reinsurance Corporation	330,188	156,882
	Total equity instruments measured at FVOCI	4,540,172	2,799,278

17.2.1	Leadway PFA scheme share	Leadway Protea Hotel Ltd	Nigerian Insurers Association pool	Waica Reinsurance Corporation	**Total**
	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January 2023	2,366,957	128,855	146,584	156,882	2,799,278
Fair value gain	1,374,163	51,548	141,877	173,306	1,740,894
Balance as at 31 December 2023	**3,741,120**	**180,403**	**288,461**	**330,188**	**4,540,172**

In 2023, the Company received dividends of N211,379,670 (2022: N216,735,000) from its FVOCI equities which was recorded in profit or loss as other investment income. There was no disposal or addition during the year.

		2023	2022
17.3	**Debt instruments at amortised cost**	₦'000	₦'000
	FGN Bonds	7,335,113	3,623,737
	Corporate bonds	91,414	91,414
	Staff loans and advances	106,432	89,087
		7,532,959	3,804,238
	Less: Allowance for ECL (Note 17.3.1)	(114,094)	(109,253)
	Total debt instruments at amortised cost	**7,418,865**	**3,694,985**

Notes to the financial statements - continued

17 Financial assets - continued

17.3 Impairment losses on financial investments subject to impairment assessment

17.3.1 Debt instruments measured at amortised cost

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for debt instruments at amortised cost is as follows:

	Stage 1		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2023	3,712,822	17,837	91,416	91,416	3,804,238	109,253
New assets originated or purchased	2,922,643	3,502	-	-	2,922,643	3,502
Assets derecognized	(200,484)	(44)	-	-	(200,484)	(44)
Foreign exchange adjustments	1,006,562	1,383	-	-	1,006,562	1,383
As at 31 December 2023	**7,441,543**	**22,678**	**91,416**	**91,416**	**7,532,959**	**114,094**

	Stage 1		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2022	3,134,572	13,079	91,416	91,416	3,225,988	104,495
New assets originated or purchased	747,665	19,687	-	-	747,665	19,687
Assets derecognized	(169,415)	(14,929)	-	-	(169,415)	(14,929)
As at 31 December 2022	**3,712,822**	**17,837**	**91,416**	**91,416**	**3,804,238**	**109,253**

Notes to the financial statements - continued

18 Trade receivables

	2023	2022
	₦'000	₦'000
Due from brokers	240,047	125,063

Reconciliation of carrying amount of trade receivables

	2023	2022
	₦'000	₦'000
As at 1 january	125,063	28,169
Premium written during the year	14,877,200	12,443,818
cash received during the year	(14,762,216)	(12,346,924)
closing balance	**240,047**	**125,063**

Age analysis of trade receivables	**2023**		**2022**	
Days	**No of Policies**	**Amount**	**No of Policies**	**Amount**
Within 14days	50	196,189	74	3,886
Within 15-30days	105	43,858	200	121,177
Total	**155**	**240,047**	**274**	**125,063**

19 Prepayments and other receivables

	2023	2022
	₦'000	₦'000
Non-Financial Assets		
Prepaid insurance - Company's assets	32,069	22,424
Prepaid insurance - Minimum deposit premium	41,213	44,860
Prepaid internet	13,875	4,910
WHT receivables	75,312	63,221
	162,469	135,415
Financial Asset		
Other receivables	50,586	24,557
	213,055	159,972
Impairment on other receivables	(35,757)	(10,629)
	177,298	149,343

The impairment on other receivables of N35.757 million represents the amount taken by the Ex-Managing Director in 2014 which was classified as an advance . The amount has been fully impaired in the books of the company.

20 Finance lease receivables

	2023	2022
	₦'000	₦'000
At 1 January	398,233	444,649
Additions during the year	297,485	301,327
Repayment during the year	(303,978)	(335,338)
Finance lease receivables	391,740	410,638
Less: Allowance for ECL	(8,316)	(12,405)
	383,424	398,233

Notes to the financial statements - continued

20 Finance lease receivables - continued

20.1

	2023		2022	
	₦'000 Minimum payments	₦'000 Present value of payments	₦'000 Minimum payments	₦'000 Present value of payments
The present value of the minimum lease payments are as follows:				
Not later than one year	176,110	160,377	135,060	118,986
Later than one year, not later than five years	148,544	164,277	194,690	210,764
Total minimum lease payments	324,654	324,654	329,750	329,750
add amount representing unearned finance income	67,086	-	80,888	-
Present value of minimum lease payments	**391,740**	**391,740**	**410,638**	**410,638**

20.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance lease receivables is as follows:

31-Dec-23	Stage 1		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January	**410,638**	**12,405**	**-**	**-**	410,638	**12,405**
New assets originated	297,485	7,189	-	-	297,485	**7,189**
Assets derecognized or repaid (excluding write offs)	(316,383)	(11,278)	-	-	(316,383)	**(11,278)**
At 31 December	**391,740**	**8,316**	**-**	**-**	**391,740**	**8,316**

31-Dec-22	Stage 1		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
				₦'000	₦'000	₦'000
As at 1 January	**441,147**	**14,443**	**3,502**	**2,172**	**444,649**	**16,615**
New assets originated	301,327	10,440	-	-	**301,327**	**10,440**
Assets derecognized or repaid	(331,836)	(12,478)	(3,502)	(2,172)	**(335,338)**	**(14,650)**
December	**410,638**	**12,405**	**-**	**-**	**410,638**	**12,405**

Notes to the financial statements - continued

		2023	2022
21	**Investment property**	₦'000	₦'000
	At 1 January	2,682,902	2,587,084
	Net fair value gain on investment properties	28,310	95,818
	At 31 December	2,711,212	2,682,902

Investment property is stated at fair value, which has been determined based on valuations performed by J C Obasi & Co (FRC/2013/NIESV/00000002148), a professional firm of Estate Surveyors and Valuers who are accredited independent valuers, and signed by J.C. Obasi (FRC/2019/00000013129) as at 31 December 2023. These valuers are specialists in valuing these types of investment properties. The fair value of the properties has been determined using investment/income approach in accordance with that recommended by the international valuation standards committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the profit or loss.

The Company's investment property was not occupied during the reporting period. Thus, the Company did not generate rental income from its investment property for the year ended 31 December 2023 (2022: Nil). Direct operating expenses arising in respect of such properties during the reporting years were included in administrative expenses. No direct operating expenses was recognised in the current reporting period.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			
	Quoted prices in active market	*Significant observable inputs*	*Significant unobservable inputs*	**Total**
	Level 1	*Level 2*	*Level 3*	
	₦'000	₦'000	₦'000	₦'000
Date of valuation - 31 December 2023				
Investment properties			2,711,212	2,711,212
Date of valuation - 31 December 2022				
Investment properties			2,682,902	2,682,902

21 Investment property - continued

Description of valuation techniques used and key inputs to valuation on investment properties

Office building

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*	
		2023	2022
Investment/ income	*Total net lettable space*	3,260m2	3,260m2
	Estimated rental value per sqm per year	N 80,000	N 70,000
	Rent growth p.a.	6%	6%
	Contingencies at effective gross	25%	20%
	Management and Maintenance cost per annun per rent	17%	12%

The below shows the sensitivity of the carrying amounts to the methods, assumptions and estimates

Valuation technique	*Significant unobservable inputs*	Increase/(decrease) in inputs	Effect on fair value Increase/(decrease)	
			2023	2022
			₦'000	**₦'000**
Investment/ income approach	*Estimated rental value per sqm per year*	N 5,000/sqm	139,200/ (139,200)	198,776/ (198,776)
	Rent growth p.a.	1%	124,400/ (124,400)	428,200/ (428,200)
	Contingencies at effective gross rent	5%	171,800/ (171,800)	(121,800)/ (121,800)
	Management and Maintenance cost per annun per rent	5%	119,252/ (119,252)	(95,817)/ 95,817

The investment/income approach centers around the thesis that the value is "the present worth of future right to income". It looks only to property's future income as may be reasonably be anticipated during the estimated economic life of the property.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Notes to the financial statements - continued

21 Investment property - continued

Description of valuation techniques used and key inputs to valuation on investment properties-continued

Location of investment property	Valuation technique	Significant unobservable input
19B Ligali Ayorinde Street, Victoria Island Lagos	The valuation was based on investment/income approach method of valuation. The method looks only to a property's future income as may reasonably be anticipated during the estimated economic life of the property. Further value analysis was carried out using market comparison method approach as a check.	The property is identified as No. 19 B Ligali Ayorinde Street, Victoria Island, Lagos. It is strategically located in the heart of Victoria Island and enjoys close proximity to a number of amenities. It is a purposely built office building on 7 floors with a mezzanine floor. The 7 storey office building has office and parking spaces inside the underground. The parking lot can take about 43 vehicles at a time. The site is rectangular in shape and appears firm, level and well drained. It is fenced round in block walls with a double leaf metal entrance gate. The site area is approximately 1054sqm.

22 Intangible assets

	Computer software	Total
Cost:	₦'000	₦'000
At 1 January 2022	57,978	57,978
Additions	20,750	20,750
At 31 December 2022	78,728	78,728
Additions	30,100	30,100
At 31 December 2023	108,828	108,828
Accumulated amortisation and impairment:		
At 1 December 2022	34,695	34,695
Amortisation	6,973	6,973
At 31 December 2022	41,668	41,668
Amortisation	7,128	7,128
At 31 December 2023	48,796	48,796
Carrying amount:		
At 31 December 2022	37,060	37,060
At 31 December 2023	60,033	60,033

Notes to the financial statements - continued

23 Property, plant , equipment & right-of-use assets

	Plant & machinery	Land	Building	Furniture, fittings & Office Equipment	Computer equipment	Motor vehicles	Right-of-use assets	Total
Cost/Valuation:	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2022	57,567	450,000	902,250	85,508	112,817	332,153	69,020	2,009,315
Additions	2,090	-	23,027	38,601	9,115	52,575	35,557	160,965
Derecognition of ROU	-	-	-	-	-	-	(61)	(61)
Disposals	-	-	-	-	-	(42,990)	-	(42,990)
At 31 December 2022	59,657	450,000	925,277	124,109	121,932	341,738	104,516	2,127,229
Additions	9,600			4,679	13,548	60,000	16,895	104,721
Disposals						(23,360)		(23,360)
At 31 December 2023	69,257	450,000	925,277	128,788	135,480	378,378	121,411	2,208,591
Accumulated depreciation:								
At 1 January 2022	37,228	-	61,064	60,979	105,828	232,011	55,816	552,926
Charge for the year	3,872		31,355	8,602	7,513	59,573	16,951	127,866
Derecognition of ROU	-	-	-	-	-	-	(49)	(49)
Disposals	-	-	-	-	-	(42,990)	-	(42,990)
At 31 December 2022	41,100	-	92,419	69,581	113,341	248,594	72,718	637,753
Charge for the year	2,060		31,355	3,759	5,823	35,050	18,861	96,908
Disposals						(22,445)		(22,445)
At 31 December 2023	43,160	-	123,773	73,339	119,164	261,198	91,579	712,215
Net book value:								
At 31 December 2023	26,096	450,000	801,504	55,449	16,316	117,180	29,832	1,496,376
At 31 December 2022	18,557	450,000	832,858	54,528	8,591	93,144	31,798	1,489,476

23.1 No impairment test was performed during the year as there was no indication of impairment on any of the assets in use by the Company.

23.2 None of the property, plant and equipment of the Company has been pledged as security for borrowings and otherwise, as at the end of the year (2022: Nil).

23.3 The gross carrying amount of the fully depreciated property, plant and equipment that is still in use by the Company as at reporting date is N69 million (2022: N59 million)

23.4 Included in the additions to property plant and equipment of N121.4m (2022: N104.7m) is prepaid lease rental on right of use asset of N6.59m (2021: N16.8m).

Notes to the financial statements - continued

		2023	2022
24	**Statutory deposit**	₦'000	₦'000
	Deposits with CBN	300,000	300,000

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9(1) and Section 10(3) of the Insurance Act 2003. This is restricted cash as management does not have access to the balances for its day to day activities. Statutory deposits are measured at amortised cost.

25 **Insurance and reinsurance contracts**

Insurance contracts issued		2023 Asset ₦'000	2023 Liabilities ₦'000	2023 Net ₦'000	2022 Asset ₦'000	2022 Liabilities ₦'000	2022 Net ₦'000
Motor	25.1 (a)	-	1,294,394	1,294,394	-	817,823	817,823
Aviation	25.1 (b)	-	402,214	402,214	-	72,109	72,109
Fire	25.1 (c)	-	5,012,615	5,012,615	-	3,629,022	3,629,022
General accident	25.1 (d)	-	688,506	688,506	-	654,315	654,315
Marine	25.1 (e)	-	935,628	935,628	-	1,260,296	1,260,296
Bond	25.1 (f)	-	114,090	114,090	-	43,920	43,920
Oil & Energy	25.1 (g)	-	722,081	722,081	-	447,431	447,431
Engineering	25.1 (h)	-	414,739	414,739	-	248,205	248,205
Agriculture	25.1 (i)	-	13,028	13,028	-	14,934	14,934
Employee liability	25.1 (j)	-	21,897	21,897	-	19,080	19,080
Goods in transit	25.1 (k)	-	508,545	508,545	-	482,811	482,811
Salary protection	25.1 (l)	-	12,886	12,886	-	72	72
Terrorism and political	25.1 (m)	-	36,483	36,483	-	33,809	33,809
Mediclaim	25.1 (n)	-	116,445	116,445	-	82,456	82,456
Total Insurance contract issued		-	10,293,551	10,293,551	-	7,806,285	7,806,285

Notes to the financial statements - continued

Reinsurance contract held

		2023			2022		
		Asset	Liabilities	**Net**	Asset	Liabilities	**Net**
Reinsurance contracts assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Motor	25.2 (a)	(85,765)	-	(85,765)	(77,096)	-	(77,096)
Aviation	25.2 (b)	(212,371)	-	(212,371)	(1,101)	-	(1,101)
Fire	25.2 (c)	(4,811,855)	-	(4,811,855)	(4,122,466)	-	(4,122,466)
General accident	25.2 (d)	(100,394)	-	(100,394)	(323,865)	-	(323,865)
Marine	25.2 (e)	(1,336,321)	-	(1,336,321)	(1,400,701)	-	(1,400,701)
Bond	25.2 (f)	(70,319)	-	(70,319)	(22,816)	-	(22,816)
Oil & Energy	25.2 (g)	(458,769)	-	(458,769)	(359,468)	-	(359,468)
Engineering	25.2 (h)	(270,573)	-	(270,573)	(313,918)	-	(313,918)
Agriculture	25.2 (i)	(3,644)	-	(3,644)	(6,343)	-	(6,343)
Employer's liability	25.2 (j)	(656)	-	(656)	(1,654)	-	(1,654)
Goods in transit	25.2 (k)	(33,685)	-	(33,685)	(68,257)	-	(68,257)
Salary protection	25.2 (l)	(1,926)	-	(1,926)	-	-	-
Terrorism and political	25.2 (m)	(21,937)	-	(21,937)	(23,790)	-	(23,790)
Mediclaim	25.2 (n)	(240)	-	(240)	-	-	-
Total reinsurace contracts held		(7,408,454)	-	(7,408,454)	(6,721,476)	-	(6,721,476)

The most recent actuarial valuations of the insurance and reinsurance contracts were carried out by Bercoda consulting limited. This is an independent Actuary Consultant registered with the Financial Reporting Council of Nigeria (FRCN) with FRC number FRC/2021/00000013819 and signed by Benjamin Awunor Bsc,Msc,FIA, FRM with FRC number FRC/2015/PRO/NAS/00000012946.

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

The roll forward presented below shows a summarized position of all the portfolios.

2023

25.1 Reconciliation of insurance contract liabilities

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	2,880,644	-	4,925,642	7,806,286
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	2,880,644	-	4,925,642	7,806,286
Insurance revenue	(13,547,046)	-		(13,547,046)
Insurance service expense		-		
Incurred claims and other expenses	-		7,859,694	7,859,694
Amortisation of insurance acquisition cash flows	3,423,681	-		3,423,681
Changes related to future service				-
Changes in BEL related to LFIC	-	-	947,380	947,380
Changes in RA related to LFIC	-	-	99,426	99,426
Total Insurance service expenses	**3,423,681**	**-**	**8,906,500**	**12,330,181**
Insurance service result	(10,123,365)	-	8,906,500	(1,216,865)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(10,123,365)**	**-**	**8,906,500**	**(1,216,865)**
Cashflows				
Premiums received	14,877,200			14,877,200
Claims and expenses paid			(7,749,388)	(7,749,388)
Acquisition costs paid	(3,423,681)			(3,423,681)
	11,453,518	**-**	(7,749,388)	**3,704,130**
Closing insurance contract liabilities	4,210,798	-	6,082,754	10,293,551
Closing insurance contract assets	-	-	-	-
Net closing balance	**4,210,798**	**-**	**6,082,754**	**10,293,551**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 Reconciliation of insurance contract liabilities

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,941,989	-	5,349,689	7,291,677
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	1,941,989	-	5,349,689	7,291,677
Insurance revenue	(11,505,162)			(11,505,162)
Insurance service expense	-	-		
Incurred claims and other expenses	-	-	8,134,521	8,134,521
Amortisation of insurance acquisition cash flows	2,681,289	-	-	2,681,289
Changes related to future service				-
Changes in BEL related to LFIC	-	-	724,890	724,890
Changes in RA related to LFIC	-	-	7,360	7,360
Total Insurance service expenses	**2,681,289**		**8,866,771**	**11,548,060**
Insurance service result	(8,823,873)	-	8,866,771	42,898
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(8,823,873)**	**-**	**8,866,771**	**42,898**
Cashflows				
Premiums received	12,443,818			12,443,818
Claims and expenses paid	-		(9,290,818)	(9,290,818)
Acquisition costs paid	(2,681,289)			(2,681,289)
	9,762,529	**-**	(9,290,818)	**471,711**
Closing insurance contract liabilities	2,880,644	-	4,925,642	7,806,286
Closing insurance contract assets	-	-	-	-
Net closing balance	**2,880,644**	**-**	**4,925,642**	**7,806,286**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.1 (a) Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	563,178	-	254,644	817,823
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	563,178	-	254,644	817,823
Insurance revenue	(1,543,796)			(1,543,796)
Insurance service expense	-	-		
Incurred claims and other expenses	-		954,940	954,940
Amortisation of insurance acquisition cash flows	332,833	-	-	332,833
Changes related to future service				-
Changes in BEL related to LFIC	-	-	61,481	61,481
Changes in RA related to LFIC	-	-	7,393	7,393
Total Insurance service expenses	**332,833**		**1,023,814**	**1,356,647**
Insurance service result	(1,210,962)	-	1,023,814	(187,149)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(1,210,962)**	**-**	**1,023,814**	**(187,149)**
Cashflows				
Premiums received	1,857,139	-	-	1,857,139
Claims and expenses paid	-	-	(860,586)	(860,586)
Acquisition costs paid	(332,833)	-	-	(332,833)
	1,524,306	**-**	(860,586)	**663,720**
Closing insurance contract liabilities	876,522	-	417,872	1,294,394
Closing insurance contract assets	-	-	-	-
Net closing balance	**876,522**	**-**	**417,872**	**1,294,394**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (a) Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	305,260	-	142,713	447,973
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	305,260	-	142,713	447,973
Insurance revenue	(1,142,793)			(1,142,793)
Insurance service expense	-	-	-	
Incurred claims and other expenses	-	-	249,872	249,872
Amortisation of insurance acquisition cash flows	238,600	-	-	238,600
Changes related to future service	-	-	-	-
Changes in BEL related to LFIC	-	-	581,861	581,861
Changes in RA related to LFIC	-	-	5,330	5,330
Total Insurance service expenses	**238,600**	**-**	837,064	**1,075,664**
Insurance service result	(904,192)	-	837,064	(67,129)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(904,192)**	**-**	837,064	**(67,129)**
Cashflows				
Premiums received	1,400,711	-	-	1,400,711
Claims and expenses paid	-	-	(725,132)	(725,132)
Acquisition costs paid	(238,600)	-	-	(238,600)
	1,162,111	**-**	(725,132)	**436,978**
Closing insurance contract liabilities	563,178	-	254,644	817,823
Closing insurance contract assets	-	-	-	-
Net closing balance	**563,178**	**-**	**254,644**	**817,823**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (b) Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	28,506	-	43,603	72,109
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	28,506		43,603	72,109
Insurance revenue	(361,559)			(361,559)
Insurance service expense		-		
Incurred claims and other expenses	-		355,631	355,631
Amortisation of insurance acquisition cash flows	89,450	-	-	89,450
Changes related to future service		-	-	-
Changes in BEL related to LFIC	-	-	287,472	287,472
Changes in RA related to LFIC	-	-	41,654	41,654
Total Insurance service expenses	89,450		684,757	774,207
Investment components	-	-	-	-
Insurance service result	(272,109)	-	684,757	412,649
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(272,109)**	**-**	684,757	**412,649**
Cashflows				
Premiums received	379,177	-	-	379,177
Claims and expenses paid	-	-	(372,271)	(372,271)
Acquisition costs paid	(89,450)	-	-	(89,450)
	289,727	**-**	(372,271)	**(82,544)**
Closing insurance contract liabilities	46,124	-	356,090	402,214
Closing insurance contract assets	-	-	-	-
Net closing balance	**46,124**	**-**	**356,090**	**402,214**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (b) Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	30,940	-	53,266	84,206
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	30,940	-	53,266	84,206
Insurance revenue	(352,385)			(352,385)
Insurance service expense		-		
Incurred claims and other expenses	-	-	38,395	38,395
Amortisation of insurance acquisition cash flows	74,018	-	-	74,018
Changes related to future service		-		-
changes in BEL related to LFIC	-	-	(20,004)	(20,004)
changes in RA related to LFIC	-		(460)	(460)
Total Insurance service expenses	**74,018**	**-**	17,930	**91,948**
Investment components	-	-	-	-
Insurance service result	(278,367)	-	17,930	(260,437)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(278,367)**	**-**	17,930	**(260,437)**
Cashflows				
Premiums received	349,951	-	-	349,951
Claims and expenses paid	-	-	(27,593)	(27,593)
Acquisition costs paid	(74,018)	-	-	(74,018)
	275,933	**-**	(27,593)	**248,341**
Closing insurance contract liabilities	28,506	-	43,603	72,109
Closing insurance contract assets	-	-	-	-
Net closing balance	**28,506**	**-**	**43,603**	**72,109**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (c) Reconciliation of the LFRC and the LFIC for insurance contracts - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,416,119	-	2,212,904	3,629,022
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	1,416,119	-	2,212,904	3,629,022
Insurance revenue	(5,836,283)			(5,836,283)
Insurance service expense	-			
Incurred claims and other expenses	-		3,963,391	3,963,391
Amortisation of insurance acquisition cash flows	1,687,790		-	1,687,790
Changes related to future service				-
Changes in BEL related to LFIC	-	-	(50,367)	(50,367)
Changes in RA related to LFIC	-	-	73,959	73,959
Total Insurance service expenses	1,687,790		3,986,983	5,674,773
Insurance service result	(4,148,493)	-	3,986,983	(161,510)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(4,148,493)**	**-**	3,986,983	**(161,510)**
Cashflows				
Premiums received	6,335,396	-	-	6,335,396
Claims and expenses paid	-	-	(3,102,503)	(3,102,503)
Acquisition costs paid	(1,687,790)	-		(1,687,790)
	4,647,606	-	(3,102,503)	1,545,103
Closing insurance contract liabilities	1,915,231	-	3,097,384	5,012,615
Closing insurance contract assets	-	-	-	-
Net closing balance	1,915,231	-	3,097,384	5,012,615

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (c) Reconciliation of the LFRC and the LFIC for insurance contracts - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	850,595	-	3,412,373	4,262,968
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	850,595	-	3,412,373	4,262,968
Insurance revenue	(4,507,053)			(4,507,053)
Insurance service expense				
Incurred claims and other expenses	-	-	5,293,291	5,293,291
Amortisation of insurance acquisition cash flows	1,225,180	-	-	1,225,180
Changes related to future service				-
Changes in BEL related to LFIC	-	-	(989,086)	(989,086)
Changes in RA related to LFIC	-		(42,898)	(42,898)
Total Insurance service expenses	1,225,180	-	4,261,306	5,486,486
Insurance service result	(3,281,873)	-	4,261,306	979,433
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(3,281,873)**	**-**	4,261,306	**979,433**
Cashflows				
Premiums received	5,072,577	-	-	5,072,577
Claims and expenses paid	-	-	(5,460,776)	(5,460,776)
Acquisition costs paid	(1,225,180)	-	-	(1,225,180)
	3,847,397	**-**	(5,460,776)	**(1,613,379)**
Closing insurance contract liabilities	1,416,119	-	2,212,904	3,629,022
Closing insurance contract assets	-	-	-	-
Net closing balance	**1,416,119**	**-**	**2,212,904**	**3,629,022**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (d) Reconciliation of the LFRC and the LFIC for insurance contracts - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	151,164	-	503,151	654,315
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	151,164	-	503,151	654,315
Insurance revenue	(842,393)			(842,393)
Insurance service expense				
Incurred claims and other expenses	-		293,998	293,998
Amortisation of insurance acquisition cash flows	206,949		0	206,949
Changes related to future service				-
Changes in BEL related to LFIC	-	-	358,501	358,501
Changes in RA related to LFIC	-	-	(70,867)	(70,867)
Total Insurance service expenses	**206,949**		581,632	**788,581**
Insurance service result	(635,443)	-	581,632	(53,812)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(635,443)**	**-**	581,632	**(53,812)**
Cashflows				
Premiums received	831,010		-	831,010
Claims and expenses paid	-	-	(536,059)	(536,059)
Acquisition costs paid	(206,949)	-	-	(206,949)
	624,061	**-**	(536,059)	**88,002**
Closing insurance contract liabilities	139,782	-	548,724	688,506
Closing insurance contract assets	-	-	-	-
Net closing balance	**139,782**	**-**	**548,724**	**688,506**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (d) Reconciliation of the LFRC and the LFIC for insurance contracts - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	132,851	-	157,501	290,351
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	132,851	-	157,501	290,351
Insurance revenue	(813,749)			(813,749)
Insurance service expense				
Incurred claims and other expenses	-	-	489,320	489,320
Amortisation of insurance acquisition	203,383	-	0	203,383
Changes related to future service		-		-
Changes in BEL related to LFIC	-	-	237,342	237,342
Changes in RA related to LFIC	-		86,949	86,949
Total Insurance service expenses	**203,383**	**-**	813,610	**1,016,994**
Investment components	-	-	-	-
Insurance service result	(610,366)	-	813,610	203,244
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(610,366)**	**-**	813,610	**203,244**
Cashflows				
Premiums received	832,063	-	-	832,063
Claims and expenses paid	-	-	(467,960)	(467,960)
Acquisition costs paid	(203,383)	-	-	(203,383)
	628,679	**-**	(467,960)	**160,720**
Closing insurance contract liabilities	151,164	-	503,151	654,315
Closing insurance contract assets	-	-	-	-
Net closing balance	**151,164**	**-**	**503,151**	**654,315**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (e) Reconciliation of the LFRC and the LFIC for insurance contracts - Marine

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	126,470	-	1,133,826	1,260,296
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	126,470	-	1,133,826	1,260,296
Insurance revenue	(1,756,735)			(1,756,735)
Insurance service expense				
Incurred claims and other expenses	-		656,801	656,801
Amortisation of insurance acquisition cash flows	308,164	-	-	308,164
Changes related to future service				-
Changes in BEL related to LFIC	-	-	409,047	409,047
Changes in RA related to LFIC	-	-	34,142	34,142
Total Insurance service expenses	**308,164**	**-**	**1,099,989**	**1,408,153**
Insurance service result	(1,448,571)	-	1,099,989	(348,582)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(1,448,571)**	**-**	1,099,989	**(348,582)**
Cashflows				
Premiums received	1,867,621			1,867,621
Claims and expenses paid			(1,535,542)	(1,535,542)
Acquisition costs paid	(308,164)			(308,164)
	1,559,457	**-**	(1,535,542)	**23,914**
Closing insurance contract liabilities	237,356	-	698,272	935,628
Closing insurance contract assets	-	-	-	-
Net closing balance	**237,356**	**-**	**698,272**	**935,628**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (e) Reconciliation of the LFRC and the LFIC for insurance contracts - Marine

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	116,443	-	106,434	222,877
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	116,443	-	106,434	222,877
Insurance revenue	(1,566,595)			(1,566,595)
Insurance service expense				
Incurred claims and other expenses	-	-	1,092,195	1,092,195
Amortisation of insurance acquisition cash flows	273,542	-		273,542
Changes related to future service				-
Changes in BEL related to LFIC	-	-	929,527	929,527
Changes in RA related to LFIC	-		48,923	48,923
Total Insurance service expenses	**273,542**	**-**	2,070,645	**2,344,187**
Investment components	-	-	-	-
Insurance service result	(1,293,053)	-	2,070,645	777,592
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(1,293,053)**	**-**	2,070,645	**777,592**
Cashflows				
Premiums received	1,576,622	-	-	1,576,622
Claims and expenses paid	-	-	(1,043,253)	(1,043,253)
Acquisition costs paid	(273,542)	-	-	(273,542)
	1,303,080	**-**	(1,043,253)	**259,827**
Closing insurance contract liabilities	126,470	-	1,133,826	1,260,296
Closing insurance contract assets	-	-	-	-
Net closing balance	**126,470**	**-**	**1,133,826**	**1,260,296**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (f) Reconciliation of the LFRC and the LFIC for insurance contracts - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	4,474	-	39,446	43,920
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	4,474	-	39,446	43,920
Insurance revenue	(19,869)			(19,869)
Insurance service expense				
Incurred claims and other expenses	-	-	52,293	52,293
Amortisation of insurance acquisition cash flows	20,260	-		20,260
Changes related to future service				-
Changes in BEL related to LFIC	-	-	4,189	4,189
Changes in RA related to LFIC	-	-	3,327	3,327
Total Insurance service expenses	**20,260**	**-**	59,808	**80,069**
Insurance service result	391	-	59,808	60,200
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**391**	**-**	59,808	**60,200**
Cashflows				
Premiums received	37,523	-		37,523
Claims and expenses paid	-	-	(7,293)	(7,293)
Acquisition costs paid	(20,260)	-		(20,260)
	17,263	**-**	(7,293)	**9,970**
Closing insurance contract liabilities	22,129	-	91,961	114,090
Closing insurance contract assets	-	-	-	-
Net closing balance	**22,129**	**-**	**91,961**	**114,090**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (f) Reconciliation of the LFRC and the LFIC for insurance contracts - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	5,519	-	45,340	50,859
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	5,519	-	45,340	50,859
Insurance revenue	(21,919)			(21,919)
Insurance service expense				
Incurred claims and other expenses	-	-	2,719	2,719
Amortisation of insurance acquisition cash flows	7,559	-		7,559
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	(3,776)	(3,776)
Changes in RA related to LFIC	-		(281)	(281)
Total Insurance service expenses	**7,559**	**-**	(1,338)	**6,221**
Insurance service result	(14,360)	-	(1,338)	(15,698)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(14,360)**	**-**	(1,338)	**(15,698)**
Cashflows				
Premiums received	20,875	-	-	20,875
Claims and expenses paid	-	-	(4,556)	(4,556)
Acquisition costs paid	(7,559)	-	-	(7,559)
	13,316	**-**	(4,556)	**8,759**
Closing insurance contract liabilities	4,474	-	39,446	43,920
Closing insurance contract assets	-	-	-	-
Net closing balance	**4,474**	**-**	**39,446**	**43,920**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (g) Reconciliation of the LFRC and the LFIC for insurance contracts - Oil & Energy

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	350,852	-	96,580	447,431
Opening insurance contract assets				-
Net Insurance contract liabilities	350,852	-	96,580	447,431
Insurance revenue	(1,683,676)			(1,683,676)
Insurance service expense				
Incurred claims and other expenses	-	-	46,119	46,119
Amortisation of insurance acquisition cash flows	412,530	-		412,530
Changes related to future service				-
Changes in BEL related to LFIC	-	-	152,725	152,725
Changes in RA related to LFIC	-	-	5,115	5,115
Total Insurance service expenses	**412,530**	**-**	203,959	**616,489**
Insurance service result	(1,271,146)	-	203,959	(1,067,187)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(1,271,146)**	**-**	203,959	**(1,067,187)**
Cashflows				
Premiums received	1,836,529			1,836,529
Claims and expenses paid	-	-	(82,163)	(82,163)
Acquisition costs paid	(412,530)			(412,530)
	1,424,000	**-**	(82,163)	**1,341,837**
Closing insurance contract liabilities	503,705	-	218,376	722,081
Closing insurance contract assets	-	-	-	-
Net closing balance	**503,705**	**-**	**218,376**	**722,081**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (g) Reconciliation of the LFRC and the LFIC for insurance contracts - Oil & Energy

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	285,380	-	231,572	516,952
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	285,380	-	231,572	516,952
Insurance revenue	(1,723,764)			(1,723,764)
Insurance service expense				
Incurred claims and other expenses	-	-	232,084	232,084
Amortisation of insurance acquisition cash flows	384,960	-		384,960
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	(132,609)	(132,609)
Changes in RA related to LFIC	-		(6,548)	(6,548)
Total Insurance service expenses	**384,960**	**-**	92,927	**477,887**
Investment components	-	-	-	-
Insurance service result	(1,338,804)	-	92,927	(1,245,877)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(1,338,804)**	**-**	92,927	**(1,245,877)**
Cashflows				
Premiums received	1,789,236	-	-	1,789,236
Claims and expenses paid	-	-	(227,919)	(227,919)
Acquisition costs paid	(384,960)	-	-	(384,960)
	1,404,276	**-**	(227,919)	**1,176,357**
Closing insurance contract liabilities	350,852	-	96,580	447,431
Closing insurance contract assets	-	-	-	-
Net closing balance	**350,852**	**-**	**96,580**	**447,431**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (h) Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	98,686	-	149,519	248,205
Opening insurance contract assets	-	-		-
Net Insurance contract liabilities	98,686	-	149,519	248,205
Insurance revenue	(298,376)			(298,376)
Insurance service expense				
Incurred claims and other expenses	-	-	94,686	94,686
Amortisation of insurance acquisition cash flows	105,356	-		105,356
Changes related to future service				-
Changes in BEL related to LFIC	-	-	123,169	123,169
Changes in RA related to LFIC	-	-	6,259	6,259
Total Insurance service expenses	**105,356**		**224,114**	**329,470**
Insurance service result	(193,020)	-	224,114	31,094
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(193,020)**	**-**	224,114	**31,094**
Cashflows				
Premiums received	418,320			418,320
Claims and expenses paid			(177,524)	(177,524)
Acquisition costs paid	(105,356)			(105,356)
	312,964	**-**	(177,524)	**135,440**
Closing insurance contract liabilities	218,629	-	196,109	414,739
Closing insurance contract assets	-	-	-	-
Net closing balance	**218,629**	**-**	**196,109**	**414,739**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (h) Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	114,779	-	848,489	963,268
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	114,779	-	848,489	963,268
Insurance revenue	(277,835)			(277,835)
Insurance service expense				
Incurred claims and other expenses	-	-	126,512	126,512
Amortisation of insurance acquisition cash flows	65,449	-		65,449
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	(396,522)	(396,522)
Changes in RA related to LFIC	-		(90,320)	(90,320)
Total Insurance service expenses	**65,449**	**-**	(360,330)	**(294,881)**
Investment components	-	-	-	-
Insurance service result	(212,385)	-	(360,330)	(572,715)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(212,385)**	**-**	(360,330)	**(572,715)**
Cashflows				
Premiums received	261,741	-	-	261,741
Claims and expenses paid	-	-	(338,640)	(338,640)
Acquisition costs paid	(65,449)	-	-	(65,449)
	196,292	**-**	(338,640)	**(142,348)**
Closing insurance contract liabilities	98,686	-	149,519	248,205
Closing insurance contract assets	-	-	-	-
Net closing balance	**98,686**	**-**	**149,519**	**248,205**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (i) Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	13,294	-	1,641	14,934
Opening insurance contract assets				-
Net Insurance contract liabilities	13,294	-	1,641	14,934
Insurance revenue	(31,185)			(31,185)
Insurance service expense				
Incurred claims and other expenses			20,859	20,859
Amortisation of insurance acquisition cash flows	3,572			3,572
Changes related to future service				-
Changes in BEL related to LFIC			5,635	5,635
Changes in RA related to LFIC			353	353
Total Insurance service expenses	3,572		26,847	30,419
Insurance service result	(27,613)	-	26,847	(766)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(27,613)**	**-**	26,847	**(766)**
Cashflows				
Premiums received	23,185			23,185
Claims and expenses paid			(20,753)	(20,753)
Acquisition costs paid	(3,572)			(3,572)
	19,613	-	(20,753)	(1,140)
Closing insurance contract liabilities	5,294	-	7,734	13,028
Closing insurance contract assets	-	-	-	-
Net closing balance	5,294	-	7,734	13,028

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (i) Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	21,026	-	14,979	36,006
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	21,026	-	14,979	36,006
Insurance revenue	(69,269)			(69,269)
Insurance service expense				
Incurred claims and other expenses	-	-	10,180	10,180
Amortisation of insurance acquisition	7,047	-		7,047
Changes related to future service	-	-	-	-
Changes in BEL related to LFIC	-	-	20,677	20,677
Changes in RA related to LFIC	-		(635)	(635)
Total Insurance service expenses	**7,047**	**-**	30,222	**37,269**
Investment components	-	-	-	-
Insurance service result	(62,222)	-	30,222	(32,000)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(62,222)**	**-**	30,222	**(32,000)**
Cashflows				
Premiums received	61,536	-	-	61,536
Claims and expenses paid	-	-	(43,561)	(43,561)
Acquisition costs paid	(7,047)	-	-	(7,047)
	54,489	**-**	(43,561)	**10,928**
Closing insurance contract liabilities	13,294	-	1,641	14,934
Closing insurance contract assets	-	-	-	-
Net closing balance	**13,294**	**-**	**1,641**	**14,934**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (j) Reconciliation of the LFRC and the LFIC for insurance contracts - Employers Liability

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	7,019	-	12,062	19,080
Opening insurance contract assets				-
Net Insurance contract liabilities	7,019	-	12,062	19,080
Insurance revenue	(32,261)			(32,261)
Insurance service expense				
Incurred claims and other expenses			11,780	11,780
Amortisation of insurance acquisition cash flows	5,169			5,169
Changes related to future service				-
Changes in BEL related to LFIC			3,666	3,666
Changes in RA related to LFIC	-		264	264
Total Insurance service expenses	**5,169**	**-**	15,711	**20,880**
Investment components	-	-	-	-
Insurance service result	(27,092)	-	15,711	(11,381)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(27,092)**	**-**	15,711	**(11,381)**
Cashflows				
Premiums received	29,539	-	-	29,539
Claims and expenses paid	-	-	(10,171)	(10,171)
Acquisition costs paid	(5,169)	-	-	(5,169)
	24,369	**-**	(10,171)	**14,198**
Closing insurance contract liabilities	4,296	-	17,601	21,897
Closing insurance contract assets	-	-	-	-
Net closing balance	**4,296**	**-**	**17,601**	**21,897**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (j) Reconciliation of the LFRC and the LFIC for insurance contracts - Employers Liability

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	6,616	-	73,479	80,095
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	6,616	-	73,479	80,095
Insurance revenue	(31,654)			(31,654)
Insurance service expense				
Incurred claims and other expenses	-	-	6,269	6,269
Amortisation of insurance acquisition cash flows	6,196	-		6,196
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	(33,682)	(33,682)
Changes in RA related to LFIC	-		(2,925)	(2,925)
Total Insurance service expenses	**6,196**	**-**	(30,337)	**(24,141)**
Insurance service result	(25,458)	-	(30,337)	(55,795)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(25,458)**	**-**	(30,337)	**(55,795)**
Cashflows				
Premiums received	32,056	-	-	32,056
Claims and expenses paid	-	-	(31,080)	(31,080)
Acquisition costs paid	(6,196)	-	-	(6,196)
	25,860	**-**	(31,080)	**(5,220)**
Closing insurance contract liabilities	7,019	-	12,062	19,080
Closing insurance contract assets	-	-	-	-
Net closing balance	**7,019**	**-**	**12,062**	**19,080**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (k) Reconciliation of the LFRC and the LFIC for insurance contracts - Goods in Transit

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	34,488	-	448,323	482,811
Opening insurance contract assets				-
Net Insurance contract liabilities	34,488	-	448,323	482,811
Insurance revenue	(895,218)			(895,218)
Insurance service expense				
Incurred claims and other expenses			1,238,126	1,238,126
Amortisation of insurance acquisition cash flows	167,490	-		167,490
Changes related to future service				-
Changes in BEL related to LFIC	-	-	(453,234)	(453,234)
Changes in RA related to LFIC	-	-	(4,124)	(4,124)
Total Insurance service expenses	**167,490**	**-**	780,767	**948,258**
Insurance service result	(727,728)	-	780,767	53,040
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(727,728)**	**-**	780,767	**53,040**
Cashflows				
Premiums received	1,007,562			1,007,562
Claims and expenses paid			(867,379)	(867,379)
Acquisition costs paid	(167,490)			(167,490)
	840,072	**-**	(867,379)	**(27,307)**
Closing insurance contract liabilities	146,833	-	361,712	508,545
Closing insurance contract assets	-	-	-	-
Net closing balance	**146,833**	**-**	**361,712**	**508,545**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (k) Reconciliation of the LFRC and the LFIC for insurance contracts - Goods in Transit

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,235	-	245,580	246,816
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	1,235	-	245,580	246,816
Insurance revenue	(787,900)			(787,900)
Insurance service expense				
Incurred claims and other expenses	-	-	491,982	491,982
Amortisation of insurance acquisition cash flows	159,993	-		159,993
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	431,048	431,048
Changes in RA related to LFIC	-		9,654	9,654
Total Insurance service expenses	**159,993**	**-**	932,685	**1,092,678**
Investment components	-	-	-	-
Insurance service result	(627,907)	-	932,685	304,778
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(627,907)**	**-**	932,685	**304,778**
Cashflows				
Premiums received	821,153	-	-	821,153
Claims and expenses paid	-	-	(729,942)	(729,942)
Acquisition costs paid	(159,993)	-	-	(159,993)
	661,160	**-**	(729,942)	**(68,782)**
Closing insurance contract liabilities	34,488	-	448,323	482,811
Closing insurance contract assets	-	-	-	-
Net closing balance	**34,488**	**-**	**448,323**	**482,811**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (l) Reconciliation of the LFRC and the LFIC for insurance contracts - Salary Protection

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	72	-	-	72
Opening insurance contract assets				-
Net Insurance contract liabilities	72	-	-	72
Insurance revenue	(17,122)			(17,122)
Insurance service expense				
Incurred claims and other expenses			10,552	10,552
Amortisation of insurance acquisition cash flows	3,322			3,322
Changes related to future service				-
Changes in BEL related to LFIC			23,277	23,277
Changes in RA related to LFIC			611	611
Total Insurance service expenses	**3,322**	**-**	34,440	**37,761**
Insurance service result	(13,800)	-	34,440	20,640
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(13,800)**	**-**	34,440	**20,640**
Cashflows				
Premiums received	17,096	-	-	17,096
Claims and expenses paid	-	-	(21,600)	(21,600)
Acquisition costs paid	(3,322)	-	-	(3,322)
	13,775	**-**	(21,600)	**(7,826)**
Closing insurance contract liabilities	47	-	12,839	12,886
Closing insurance contract assets	-	-	-	-
Net closing balance	**47**	**-**	**12,839**	**12,886**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (I) Reconciliation of the LFRC and the LFIC for insurance contracts - Salary Protection

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	114	-	-	114
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	114	-	-	114
Insurance revenue	(26,397)			(26,397)
Insurance service expense				
Incurred claims and other expenses	-	-	72,245	72,245
Amortisation of insurance acquisition cash flows	4,251	-		4,251
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	884	884
Changes in RA related to LFIC	-		-	-
Total Insurance service expenses	**4,251**	**-**	73,129	**77,380**
Investment components	-	-	-	-
Insurance service result	(22,146)	-	73,129	50,983
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(22,146)**	**-**	73,129	**50,983**
Cashflows				
Premiums received	26,355	-	-	26,355
Claims and expenses paid	-	-	(73,129)	(73,129)
Acquisition costs paid	(4,251)	-	-	(4,251)
	22,104	**-**	(73,129)	**(51,025)**
Closing insurance contract liabilities	72	-	-	72
Closing insurance contract assets	-	-	-	-
Net closing balance	**72**	**-**	**-**	**72**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (m) Reconciliation of the LFRC and the LFIC for insurance contracts - Terrorism and Political

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	30,526	-	3,283	33,809
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	30,526	-	3,283	33,809
Insurance revenue	(86,436)			(86,436)
Insurance service expense				
Incurred claims and other expenses	-	-	26,280	26,280
Amortisation of insurance acquisition cash flows	60,641	-	-	60,641
Changes related to future service				-
Changes in BEL related to LFIC	-	-	5,426	5,426
Changes in RA related to LFIC	-	-	271	271
Total Insurance service expenses	**60,641**	**-**	**31,978**	**92,620**
Investment components	-	-	-	-
Insurance service result	(25,795)	-	31,978	6,184
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(25,795)**	**-**	31,978	**6,184**
Cashflows				
Premiums received	83,412			83,412
Claims and expenses paid	-		(26,280)	(26,280)
Acquisition costs paid	(60,641)			(60,641)
	22,771	**-**	(26,280)	**(3,510)**
Closing insurance contract liabilities	27,503	-	8,981	36,483
Closing insurance contract assets	-	-	-	-
Net closing balance	**27,503**	**-**	**8,981**	**36,483**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (m) Reconciliation of the LFRC and the LFIC for insurance contracts - Terrorism and Political

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	15,355	-	-	15,355
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	15,355	-	-	15,355
Insurance revenue	(62,486)			(62,486)
Insurance service expense				
Incurred claims and other expenses	-	-	2,195	2,195
Amortisation of insurance acquisition cash flows	18,320	-		18,320
Changes related to future service	-	-		-
Changes in BEL related to LFIC	-	-	3,127	3,127
Changes in RA related to LFIC	-		156	156
Total Insurance service expenses	**18,320**	**-**	5,478	**23,797**
Investment components	-	-	-	-
Insurance service result	(44,166)	-	5,478	(38,688)
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(44,166)**	**-**	5,478	**(38,688)**
Cashflows				
Premiums received	77,657	-	-	77,657
Claims and expenses paid	-	-	(2,195)	(2,195)
Acquisition costs paid	(18,320)	-	-	(18,320)
	59,337	**-**	(2,195)	**57,143**
Closing insurance contract liabilities	30,526	-	3,283	33,809
Closing insurance contract assets	-	-	-	-
Net closing balance	**30,526**	**-**	**3,283**	**33,809**

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2023

25.1 (n) Reconciliation of the LFRC and the LFIC for insurance contracts - Mediclaim

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	55,796	-	26,660	82,456
Opening insurance contract assets				-
Net Insurance contract liabilities	55,796	-	26,660	82,456
Insurance revenue	(142,139)			(142,139)
Insurance service expense				
Incurred claims and other expenses			134,239	134,239
Amortisation of insurance acquisition cash flows	20,154	-		20,154
Changes related to future service				-
Changes in BEL related to LFIC	-	-	16,394	16,394
Changes in RA related to LFIC	-	-	1,068	1,068
Total Insurance service expenses	20,154	-	151,701	171,855
Insurance service result	(121,985)	-	151,701	29,716
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(121,985)**	**-**	**151,701**	**29,716**
Cashflows				
Premiums received	153,691	-		153,691
Claims and expenses paid	-	-	(129,264)	(129,264)
Acquisition costs paid	(20,154)	-		(20,154)
	133,537	-	(129,264)	4,273
Closing insurance contract liabilities	67,348	-	49,097	116,445
Closing insurance contract assets	-	-	-	-
Net closing balance	67,348	-	49,097	116,445

25.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims-continued

2022

25.1 (n) Reconciliation of the LFRC and the LFIC for insurance contracts - Mediclaim

	Liabilities for remaining coverage		Liability for Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	55,875	-	17,962	73,837
Opening insurance contract assets	-	-	-	-
Net Insurance contract liabilities	55,875	-	17,962	73,837
Insurance revenue	(121,363)			(121,363)
Insurance service expense				
Incurred claims and other expenses	-	-	27,262	27,262
Amortisation of insurance acquisition cash flows	12,790	-	-	12,790
Changes related to future service				-
Changes in BEL related to LFIC	-	-	96,104	96,104
Changes in RA related to LFIC	-		414	414
Total Insurance service expenses	**12,790**	**-**	123,780	**136,570**
Investment components	-	-	-	-
Insurance service result	(108,573)	-	123,780	15,207
Insurance finance expenses	-	-	-	-
Total change in comprehensive income	**(108,573)**	**-**	123,780	**15,207**
Cashflows				
Premiums received	121,285	-	-	121,285
Claims and expenses paid	-	-	(115,083)	(115,083)
Acquisition costs paid	(12,790)	-	-	(12,790)
	108,495	**-**	(115,083)	**(6,587)**
Closing insurance contract liabilities	55,796	-	26,660	82,456
Closing insurance contract assets	-	-	-	-
Net closing balance	**55,796**	**-**	**26,660**	**82,456**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

The roll forward presented below shows a summarized position of all the portfolios.

2023

25.2 (a) Reconciliation of the ARC and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,722,081	-	4,999,394	6,721,476
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	1,722,081	-	4,999,394	6,721,476
An allocation of reinsurance premiums	(5,840,699)			(5,840,699)
Amounts recoverable from reinsurers for incurred claims		-		
Amounts recoverable for incurred claims and other expenses	-	-	4,662,394	4,662,394
Changes to amounts recoverable for incurred claims		-	580,039	580,039
Net income or expense from reinsurance contracts held	(5,840,699)	-	5,242,433	(598,266)
Total change in comprehensive income	**(5,840,699)**	**- -**	**5,242,433**	**(598,266)**
Cashflows				
Premiums and similar expense paid	6,269,883	-		6,269,883
Amounts received		-	(4,984,638)	(4,984,638)
	6,269,883	**-**	(4,984,638)	**1,285,244**
Closing re-insurance contract assets	2,151,265	-	5,257,189	7,408,454
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**2,151,265**	**-**	**5,257,189**	**7,408,454**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

The roll forward presented below shows a summarized position of all the portfolios.

2022

25 Reconciliation of the ARC and Amount recoverable on incurred claims

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,066,505		-	5,050,839	6,117,344
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	1,066,505		-	5,050,839	6,117,344
An allocation of reinsurance premiums	(4,785,121)				(4,785,121)
Amounts recoverable from reinsurers for incurred claims			-		
Amounts recoverable for incurred claims and other expenses	-		-	3,741,545	3,741,545
Changes to amounts recoverable for incurred claims			-	1,708,756	1,708,756
Total change in comprehensive income	**(4,785,121)**	**-**	**-**	**5,450,301**	**665,180**
Cashflows					
Premium and similar expenses paid	5,440,698		-	-	5,440,698
Amount received	-		-	(5,501,745)	(5,501,745)
	5,440,698		**-**	(5,501,745)	**(61,047)**
Closing re-insurance contract assets	1,722,081		-	4,999,394	6,721,476
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**1,722,081**		**-**	**4,999,394**	**6,721,476**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (a) Reconciliation of the ARC and Amount recoverable on incurred claims- Motor

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	33,935	-	43,161	77,096
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	33,935	-	43,161	77,096
An allocation of reinsurance premiums	(68,008)			(68,008)
Amounts recoverable from reinsurers for incurred claims		-		
Amounts recoverable for incurred claims and other expenses	-	-	23,200	23,200
Changes to amounts recoverable for incurred claims		-	56,901	56,901
Total change in comprehensive income	**(68,008)**	**- -**	**80,101**	**12,093**
Cashflows				
Premiums and similar expense paid	63,147	-		63,147
Amounts received	-	-	(66,571)	(66,571)
	63,147	**-**	(66,571)	**(3,424)**
Closing re-insurance contract assets	29,074	-	56,691	85,765
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**29,074**	**-**	**56,691**	**85,765**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (a) Reconciliation of the ARC and Amount recoverable on incurred claims- Motor

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	10,614	-	36,813	47,426
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	10,614	-	36,813	47,426
An allocation of reinsurance premiums	(46,568)			(46,568)
Amounts recoverable from reinsurers for incurred claims		-		
Amounts recoverable for incurred claims and other expenses	-	-	77,595	77,595
Changes to amounts recoverable for incurred claims		-	(64,347)	(64,347)
Total change in comprehensive income	**(46,568)**	**- -**	**13,249**	**(33,320)**
Cashflows				
Premium and similar expenses paid	69,889	-	-	69,889
Amount received	-	-	(6,900)	(6,900)
	69,889	**-**	(6,900)	**62,989**
Closing re-insurance contract assets	33,935	-	43,161	77,096
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**33,935**	**-**	**43,161**	**77,096**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (b) Reconciliation of the ARC and Amount recoverable on incurred claims- Aviation

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,101	-	-	1,101
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	1,101	-	-	1,101
An allocation of reinsurance premiums	(149,881)			(149,881)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses		-	30,390	30,390
Changes to amounts recoverable for incurred claims		-	181,283	181,283
Total change in comprehensive income	**(149,881)**	**- -**	**211,673**	**61,792**
Cashflows				
Premium and similar expenses paid	153,311	-	-	153,311
Amount received		-	(3,834)	(3,834)
	153,311	**-**	(3,834)	**149,477**
Closing re-insurance contract assets	4,532	-	207,839	212,371
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**4,532**	**-**	**207,839**	**212,371**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (b) Reconciliation of the ARC and Amount recoverable on incurred claims- Aviation

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	30,875		-	26,783	57,657
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	30,875		-	26,783	57,657
An allocation of reinsurance premiums	(134,745)				(134,745)
Amounts recoverable from reinsurers for incurred claims			-	1,780	1,780
Amou nts	-		-	-	-
Changes to amounts recoverable for incurred claims			-	(28,563)	(28,563)
Total change in comprehensive income	**(134,745)**	**-**	**-**	**(26,783)**	**(161,528)**
Cashflows					
Premium and similar expenses paid	104,972		-	-	104,972
Amount received	-		-	-	-
	104,972		**-**	-	**104,972**
Closing re-insurance contract assets	1,101		-	-	1,101
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**1,101**		**-**	**-**	**1,101**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (c) Reconciliation of the ARC and Amount recoverable on incurred claims- Fire

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	1,157,580	-	2,964,886	4,122,466
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	1,157,580	-	2,964,886	4,122,466
An allocation of reinsurance premiums	(3,422,409)			(3,422,409)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses		-	3,812,170	3,812,170
Changes to amounts recoverable for incurred claims		-	(58,797)	(58,797)
Total change in comprehensive income	**(3,422,409)**	**- -**	**3,753,373**	**330,964**
Cashflows				
Premiums and similar expenses paid	3,657,487	-	-	3,657,487
Amount received	-	-	(3,299,062)	(3,299,062)
	3,657,487	**-**	(3,299,062)	**358,425**
Closing re-insurance contract assets	1,392,657	-	3,419,197	4,811,855
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**1,392,657**	**-**	**3,419,197**	**4,811,855**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (c) Reconciliation of the ARC and Amount recoverable on incurred claims- Fire

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	620,856		-	3,774,415	4,395,270
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	620,856		-	3,774,415	4,395,270
An allocation of reinsurance premiums	(2,295,672)				(2,295,672)
Amounts recoverable from reinsurers for incurred claims			-	1,663,475	1,663,475
Amounts recoverable for incurred claims and other expenses	-		-	-	-
Changes to amounts recoverable for incurred claims			-	2,196,082	2,196,082
Total change in comprehensive income	**(2,295,672)**	**-**	**-**	**3,859,558**	**1,563,885**
Cashflows					
Premiums and similar expenses paid	2,832,396		-	-	2,832,396
Amount received	-		-	(4,669,086)	(4,669,086)
	2,832,396		**-**	(4,669,086)	**(1,836,690)**
Closing re-insurance contract assets	1,157,580		-	2,964,886	4,122,466
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**1,157,580**		**-**	**2,964,886**	**4,122,466**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (d) Reconciliation of the ARC and Amount recoverable on incurred claims- General Accident

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	15,119		-	308,747	323,865
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	15,119		-	308,747	323,865
An allocation of reinsurance premiums	(85,664)				(85,664)
Amounts recoverable from reinsurers for incurred claims			-		-
Amounts recoverable for incurred claims and other expenses	-		-	44,594	44,594
Changes to amounts recoverable for incurred claims			-	(224,173)	(224,173)
Total change in comprehensive income	**(85,664)**	**-**	**-**	**(179,579)**	**(265,242)**
Cashflows					
Premiums and similar expenses paid	83,281				83,281
Amount received				(41,510)	(41,510)
	83,281		**-**	(41,510)	**41,771**
Closing re-insurance contract assets	12,736		-	87,658	100,394
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**12,736**		**-**	**87,658**	**100,394**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (d) Reconciliation of the ARC and Amount recoverable on incurred claims- General Accident

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	17,455	-	128,512	145,967
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	17,455	-	128,512	145,967
An allocation of reinsurance premiums	(72,388)			(72,388)
Amounts recoverable from reinsurers for incurred claims		-	95,986	95,986
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurred claims		-	106,327	106,327
Total change in comprehensive income	**(72,388)**	**- -**	**202,313**	**129,925**
Cashflows				
Premiums and similar expenses paid	70,051	-	-	70,051
Amount received	-	-	(22,078)	(22,078)
	70,051	**-**	(22,078)	**47,973**
Closing re-insurance contract assets	15,119	-	308,747	323,865
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**15,119**	**-**	**308,747**	**323,865**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (e) Reconciliation of the ARC and Amount recoverable on incurred claims- Marine

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	121,866	-	1,278,835	1,400,701
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	121,866	-	1,278,835	1,400,701
An allocation of reinsurance premiums	(804,837)			(804,837)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses			391,895	391,895
Changes to amounts recoverable for incurred claims			818,122	818,122
Total change in comprehensive income	**(804,837)**	**- -**	**1,210,018**	**405,181**
Cashflows				
Premiums and similar expenses paid	912,130			912,130
Amount received			(1,381,690)	(1,381,690)
	912,130	**-**	(1,381,690)	**(469,561)**
Closing re-insurance contract assets	229,158	-	1,107,163	1,336,321
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**229,158**	**-**	**1,107,163**	**1,336,321**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (e) Reconciliation of the ARC and Amount recoverable on incurred claims- Marine

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	147,299	-	192,922	340,220
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	147,299	-	192,922	340,220
An allocation of reinsurance premiums	(877,686)			(877,686)
Amounts recoverable from reinsurers for incurred claims		-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	1,671,050	1,671,050
Changes to amounts recoverable for incurred claims		-	(5,475)	(5,475)
Total change in comprehensive income	**(877,686)**	**-**	**-** **1,665,575**	**787,889**
Cashflows				
Premiums and similar expenses paid	852,253	-	-	852,253
Amount received	-	-	(579,662)	(579,662)
	852,253	**-**	(579,662)	**272,591**
Closing re-insurance contract assets	121,866	-	1,278,835	1,400,701
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**121,866**	**-**	**1,278,835**	**1,400,701**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (f) Reconciliation of the ARC and Amount recoverable on incurred claims- Bond

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	2,612	-	20,204	22,816
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	2,612	-	20,204	22,816
An allocation of reinsurance premiums	(4,468)			(4,468)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses	-	-	96,869	96,869
Changes to amounts recoverable for incurred claims		-	(60,599)	(60,599)
Total change in comprehensive income	**(4,468)**	**- -**	**36,271**	**31,802**
Cashflows				
Premiums and similar expenses paid	15,701			15,701
Amount received	-			-
	15,701	**-**	-	**15,701**
Closing re-insurance contract assets	13,844	-	56,475	70,319
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**13,844**	**-**	**56,475**	**70,319**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (f) Reconciliation of the ARC and Amount recoverable on incurred claims- Bond

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	3,845		-	22,447	26,292
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	3,845		-	22,447	26,292
An allocation of reinsurance premiums	(10,049)				(10,049)
Amounts recoverable from reinsurers for incurred claims			-		-
Amounts recoverable for incurred claims and other expenses	-		-	1,286	1,286
Changes to amounts recoverable for incurred claims			-	(2,133)	(2,133)
Total change in comprehensive income	**(10,049)**	**-**	**-**	**(847)**	**(10,896)**
Cashflows					
Premiums and similar expenses paid	8,816		-	-	8,816
Amount received	-		-	(1,396)	(1,396)
	8,816		**-**	(1,396)	**7,420**
Closing re-insurance contract assets	2,612		-	20,204	22,816
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**2,612**		**-**	**20,204**	**22,816**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (g) Reconciliation of the ARC and Amount recoverable on incurred claims- Oil & Energy

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	289,252	-	70,216	359,468
Opening re-insurance contract liabilities				-
Net re-Insurance contract assets	289,252	-	70,216	359,468
An allocation of reinsurance premiums	(1,130,726)			(1,130,726)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses			76,579	76,579
Changes to amounts recoverable for incurred claims			36,640	36,640
Total change in comprehensive income	**(1,130,726)**	**- -**	**113,219**	**(1,017,508)**
Cashflows				
Premiums and similar expenses paid	1,145,888			1,145,888
Amount received			(29,079)	(29,079)
	1,145,888	**-**	(29,079)	**1,116,809**
Closing re-insurance contract assets	304,414	-	154,355	458,769
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**304,414**	**-**	**154,355**	**458,769**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (g) Reconciliation of the ARC and Amount recoverable on incurred claims- Oil & Energy

	Asset for remaining coverage			Amount recoverable on Incurred Claims	
	Non-onerous		Onerous		Total
	₦'000		₦'000	₦'000	₦'000
Opening re-insurance contract assets	107,387		-	242,520	349,907
Opening re-insurance contract liabilities	-		-	-	-
Net re-Insurance contract assets	107,387		-	242,520	349,907
An allocation of reinsurance premiums	(1,110,263)				(1,110,263)
Amounts recoverable from reinsurers for incurred claims			-		-
Amounts recoverable for incurred claims an	-		-	9,289	9,289
Changes to amounts recoverable for incurred claims			-	(148,840)	(148,840)
Total change in comprehensive income	**(1,110,263)**	**-**	**-**	**(139,551)**	**(1,249,814)**
Cashflows					
Premiums and similar expenses paid	1,292,128		-	-	1,292,128
Amount received	-		-	(32,753)	(32,753)
	1,292,128		**-**	(32,753)	**1,259,375**
Closing re-insurance contract assets	289,252		-	70,216	359,468
Closing re-insurance contract liabilities	-		-	-	-
Net closing balance	**289,252**		**-**	**70,216**	**359,468**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (h) Reconciliation of the ARC and Amount recoverable on incurred claims- Engineering

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	69,659	-	244,259	313,918
Opening re-insurance contract liabilities				-
Net re-Insurance contract assets	69,659	-	244,259	313,918
An allocation of reinsurance premiums	(117,380)			(117,380)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses			182,197	182,197
Changes to amounts recoverable for incurred claims			(209,027)	(209,027)
Total change in comprehensive income	**(117,380)**	**- -**	**(26,830)**	**(144,210)**
Cashflows				
Premiums and similar expenses paid	193,526	-	-	193,526
Amount received		-	(92,661)	(92,661)
	193,526	**-**	(92,661)	**100,865**
Closing re-insurance contract assets	145,805	-	124,768	270,573
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**145,805**	**-**	**124,768**	**270,573**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (h) Reconciliation of the ARC and Amount recoverable on incurred claims- Engineering

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	99,847	-	514,249	614,096
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	99,847	-	514,249	614,096
An allocation of reinsurance premiums	(150,751)			(150,751)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses	-	-	150,521	150,521
Changes to amounts recoverable for incurred claims		-	(303,412)	(303,412)
Total change in comprehensive income	**(150,751)**	**- -**	**(152,892)**	**(303,642)**
Cashflows				
Premiums and similar expenses paid	120,563	-	-	120,563
Amount received	-	-	(117,099)	(117,099)
	120,563	**-**	(117,099)	**3,464**
Closing re-insurance contract assets	69,659	-	244,259	313,918
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**69,659**	**-**	**244,259**	**313,918**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (i) Reconciliation of the ARC and Amount recoverable on incurred claims- Agriculture

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	6,343	-	-	6,343
Opening re-insurance contract liabilities		-		-
Net re-Insurance contract assets	6,343	-	-	6,343
An allocation of reinsurance premiums	(14,936)			(14,936)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses	-	-	4,500	4,500
Changes to amounts recoverable for incurred claims		-	12,606	12,606
Total change in comprehensive income	**(14,936)**	**- -**	**17,106**	**2,171**
Cashflows				
Premiums and similar expenses paid	9,616	-	-	9,616
Amount received	-	-	(14,485)	(14,485)
	9,616	**-**	(14,485)	**(4,869)**
Closing re-insurance contract assets	1,023	-	2,621	3,644
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**1,023**	**-**	**2,621**	**3,644**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (i) Reconciliation of the ARC and Amount recoverable on incurred claims- Agriculture

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	13,912	-	-	13,912
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	13,912	-	-	13,912
An allocation of reinsurance premiums	(40,936)			(40,936)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses	-	-	25,036	25,036
Changes to amounts recoverable for incurred claims		-	(5,730)	(5,730)
Total change in comprehensive income	**(40,936)**	**- -**	**19,306**	**(21,630)**
Cashflows				
Premiums and similar expenses paid	33,367	-	-	33,367
Amount received	-	-	(19,306)	(19,306)
	33,367	**-**	(19,306)	**14,061**
Closing re-insurance contract assets	6,343	-	-	6,343
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**6,343**	**-**	**-**	**6,343**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (j) Reconciliation of the ARC and Amount recoverable on incurred claims- Employers liability

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	703	-	951	1,654
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	703	-	951	1,654
An allocation of reinsurance premiums	(2,313)			(2,313)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses			-	-
Changes to amounts recoverable for incurred claims			(878)	(878)
Total change in comprehensive income	**(2,313)**	**- -**	**(878)**	**(3,191)**
Cashflows				
Premiums and similar expenses paid	2,192	-	-	2,192
Amount received	-	-	-	-
	2,192	**-**	-	**2,192**
Closing re-insurance contract assets	583	-	73	656
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**583**	**-**	**73**	**656**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (j) Reconciliation of the ARC and Amount recoverable on incurred claims- Employers liability

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	622	-	-	622
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	622	-	-	622
An allocation of reinsurance premiums	(2,322)			(2,322)
Amounts recoverable from reinsurers for incurred claims		-		-
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for		-	951	951
Total change in comprehensive income	**(2,322)**	**- -**	**951**	**(1,371)**
Cashflows				
Premiums and similar expenses paid	2,404	-	-	2,404
Amount received	-	-	-	-
	2,404	**-**	-	**2,404**
Closing re-insurance contract assets	703	-	951	1,654
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**703**	**-**	**951**	**1,654**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (k) Reconciliation of the ARC and Amount recoverable on incurred claims- Goods in transit

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	121	-	68,136	68,257
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	121	-	68,136	68,257
An allocation of reinsurance premiums	(167)			(167)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-		-
Changes to amounts recoverable for incurred claims		-	20,427	20,427
Total change in comprehensive income	**(167)**	**- -**	**20,427**	**20,260**
Cashflows				
Premiums and similar expenses paid	38	-		38
Amount received	-	-	(54,871)	(54,871)
	38	**-**	(54,871)	**(54,832)**
Closing re-insurance contract assets	(8)	-	33,692	33,685
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**(8)**	**-**	**33,692**	**33,685**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (k) Reconciliation of the ARC and Amount recoverable on incurred claims- Goods in transit

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	170	-	112,180	112,350
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	170	-	112,180	112,350
An allocation of reinsurance premiums	(3,325)			(3,325)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-	45,000	45,000
Changes to amounts recoverable for incurred claims		-	(35,579)	(35,579)
Total change in comprehensive income	**(3,325)**	**- -**	**9,421**	**6,097**
Cashflows				
Premiums and similar expenses paid	3,276	-	-	3,276
Amount received	-	-	(53,465)	(53,465)
	3,276	**-**	(53,465)	**(50,189)**
Closing re-insurance contract assets	121	-	68,136	68,257
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**121**	**-**	**68,136**	**68,257**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (I) Reconciliation of the ARC and Amount recoverable on incurred claims- Salary Protection

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	-	-	-	-
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	-	-	-	-
An allocation of reinsurance premiums	-			-
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-		-
Changes to amounts recoverable for incurred claims		-	1,926	1,926
Total change in comprehensive income	**-**	**- -**	**1,926**	**1,926**
Cashflows				
Premiums and similar expenses paid	-	-	-	-
Amount received	-	-	-	-
	-	**-**	-	**-**
Closing re-insurance contract assets	-	-	1,926	1,926
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**-**	**-**	**1,926**	**1,926**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (m) Reconciliation of the ARC and Amount recoverable on incurred claims- Terrorism and political

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	23,790	-	-	23,790
Opening re-insurance contract liabilities			-	-
Net re-Insurance contract assets	23,790	-	-	23,790
An allocation of reinsurance premiums	(39,909)			(39,909)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-		-
Changes to amounts recoverable for incurred claims		-	5,366	5,366
Total change in comprehensive income	**(39,909)**	**- -**	**5,366**	**(34,543)**
Cashflows				
Premiums and similar expenses paid	33,566	-	-	33,566
Amount received	-	-	(876)	(876)
	33,566	**-**	(876)	**32,690**
Closing re-insurance contract assets	17,447	-	4,490	21,937
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**17,447**	**-**	**4,490**	**21,937**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (m) Reconciliation of the ARC and Amount recoverable on incurred claims- Terrorism and political

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	13,624	-	-	13,624
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	13,624	-	-	13,624
An allocation of reinsurance premiums	(40,415)			(40,415)
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurred claims		-	-	-
Total change in comprehensive income	**(40,415)**	**-** **-**	**-**	**(40,415)**
Cashflows				
Premiums and similar expenses paid	50,581	-	-	50,581
Amount received	-	-	-	-
	50,581	**-**	-	**50,581**
Closing re-insurance contract assets	23,790	-	-	23,790
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**23,790**	**-**	**-**	**23,790**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2023

25.2 (n) Reconciliation of the ARC and Amount recoverable on incurred claims- Mediclaim

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets		-	-	-
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	-	-	-	-
An allocation of reinsurance premiums	-			-
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-		-
Changes to amounts recoverable for incurred claims		-	240	240
Total change in comprehensive income	**- -**	**-**	**240**	**240**
Cashflows				
Premiums and similar expenses paid	-	-	-	-
Amount received	-	-	-	-
	-	**-**	-	**-**
Closing re-insurance contract assets	-	-	240	240
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**-**	**-**	**240**	**240**

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

The Company disaggregates information to provide disclosure in respect of major product lines separately This disaggregation has been determined based on how the company is managed.

2022

25.2 (n) Reconciliation of the ARC and Amount recoverable on incurred claims- Mediclaim

	Asset for remaining coverage		Amount recoverable on Incurred Claims	
	Non-onerous	Onerous		Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Opening re-insurance contract assets	-	-	-	-
Opening re-insurance contract liabilities	-	-	-	-
Net re-Insurance contract assets	-	-	-	-
An allocation of reinsurance premiums	-			-
Amounts recoverable from reinsurers for incurred claims				-
Amounts recoverable for incurred claims and other expenses	-	-	526	526
Changes to amounts recoverable for		-	(526)	(526)
Reinsurance Investment components	-	-	-	-
Total change in comprehensive income	**-**	**- -**	**-**	**-**
Cashflows				
Premiums and similar expenses paid	-	-	-	-
Amount received	-	-	-	-
	-	**-**	-	**-**
Closing re-insurance contract assets	-	-	-	-
Closing re-insurance contract liabilities	-	-	-	-
Net closing balance	**-**	**-**	**-**	**-**

Notes to the financial statements - continued

		2023	2022
26	**Other reinsurance contract liabilities**	₦'000	₦'000
	Due to reinsurers	54,046	3,649
	Due to insurance	8,159	6,217
		62,205	9,866

This relates to reinsurance contract given to other parties which fall within the insurance contract boundary.

27	**Trade payables**		
	Due to brokers	44,882	2,904
	Due to direct insured	10,316	22,400
		55,198	25,304

This relate to premium received in advance which did not fall within the insurance contract boundary.

		2023	2022
		₦'000	₦'000
28	**Other liabilities**		
	Financial Liabilities		
	Insurance levy	148,772	126,760
	Provision for productivity bonus (Note 28.2)	26,332	7,582
	Other payables (Note 28.1)	235,409	129,480
	Lease liability (Note 28.3)	14,210	6,547
		424,724	270,369
	Non-Financial liabilities		
	Industrial Training fund	7,707	6,445
	Withholding tax	744	2,245
	VAT	46,073	7,045
		479,247	**286,104**

28.1 Other payables comprise of creditors of 113m, accrual and provision for 103m and National Information Development levy of 18.6m.

28.2	Movement in Provision for productivity bonus		
	At 1 January	7,582	35,139
	Paid in the year	-	(27,557)
	Provision during the year	18,750	-
		26,332	7,582

28.3 Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
	₦'000	₦'000
As at 1 January	6,547	6,777
Additions	6,059	-
Accretion of interest (Note 11)	1,604	1,734
Derecognition	-	(20)
Payments	-	(1,944)
As at 31 December	14,210	6,547

Notes to the financial statements - continued

29 Retirement benefits obligation

The Company operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement. The plan is not funded.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2023 by Zamara Consulting Actuaries Nigiera Limited. This is an independent Actuary Consultant registered with the Financial Reporting Council of Nigeria (FRCN) with FRC number FRC/2018/NAS/00000012910 and signed by James I Olubayi , FIA with FRC number FRC/2019/00000012910. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.	2023 ₦'000	2022 ₦'000
Balance at the beginning of the year	195,839	207,102
Current service cost	19,962	13,353
Interest cost	27,244	25,912
Benefits paid	(20,375)	(29,607)
Actuarial loss/(gain)	73,590	(20,921)
Retirement benefits obligation	296,260	195,839

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	2023	2022
Discount rate	14.54%	13.3%
Rate of salary increase	14.50%	11.0%
Mortality	A1967 - 1970 rated down 1 year	

The amounts recognised in profit or loss	2023 ₦'000	2022 ₦'000
Current service cost	19,962	13,353
Interest cost	27,244	25,912
Total, included in staff costs	47,206	39,265
The amounts recognised in other comprehensive income		
Actuarial (loss)/gain - change in assumption (Note 13)	(20,739)	9,215
Actuarial (loss)/gain - experience adjustment (Note 13)	(52,851)	11,706
Re-measurement (loss)/gain on net defined benefit plans	(73,590)	20,921

The plan is unfunded.

Notes to the financial statements - continued

Sensitivity analysis

Reasonable possible changes at reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

Staff Gratuity Scheme	Increase	Decrease
	₦'000	₦'000
Discount rate (1% movement)	(25,050) (2022: 16,208))	28,509 (2022: 21,433)
Salary escalation rate (1% movement)	28,256 (2022: 16,656)	(25,265) (2022: (18,653))
Mortality rate (10% movement)	2 (2022: 137))	(2) (2022: 137

The analysis does not take account of the full distribution of cashflow expected under the plan, it does provide an approximation of sensitivity of the assumption shown.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following are the expected payments or contributions to the defined benefit plan in future years:

	2023	2022
	₦'000	₦'000
Within the next 12 months (next annual reporting period)	18,650	15,975
Between 2 and 5 years	66,709	14,520
Between 5 and 10 years	58,415	23,467
Beyond 10 years	152,486	181,655
Total expected payments	296,260	235,617

Average duration of the defined benefit obligation at the end of the reporting period 2023 30 years (2022: 30 years)

		2023	2022
30	**Share capital**	₦'000	₦'000
	Issued share capital		
	13,252,561,880 Ordinary shares of 50k each	6,626,281	6,626,281
	At 31 December	**6,626,281**	**6,626,281**

Notes to the financial statements - continued

30 **Share capital-continued**

30.1 The shareholders have rights to voting at the annual general meetings and dividend payments.

31 **Share premium**

Share premium as at 2023 :N36,623,000 (2022 N36,623,000). This represents the excess paid by shareholders over the nominal value for their shares.

32 **Statutory contingency reserve**

	2023	2022
	₦'000	₦'000
At 1 January	3,057,336	2,684,021
Transfer from retained earnings (Note 33)	446,316	373,315
At 31 December	3,503,652	3,057,336

This is maintained in compliance with Sections 21(1) and (2) and 22(16) of Insurance Act CAP I17, LFN 2004 as indicated in the accounting policy number 2.22.

33 **Retained earnings**

	2023	2022
	₦'000	₦'000
At 1 January	257,526	808,292
Impact of IFRS 17	-	(480,921)
Transfer to statutory contingency reserve (Note 32)	(446,316)	(373,315)
Profit for the year	1,310,450	502,258
Dividends (Note 15)	-	(198,788)
At 31 December	1,121,661	257,526

34 **Other reserves**

34.1 **Gratuity valuation reserve**

	2023	2022
	₦'000	₦'000
At 1 January	29,618	14,973
Actuarial (loss)/ gain during the year	(51,513)	14,645
At 31 December	(21,895)	29,618

This comprise of the cumulative actuarial gain on change in assumption and experience adjustment.

34.2 **Fair value reserve**

	Fair values reserve	
	2023	2022
	₦'000	₦'000
At 1 January	2,379,132	2,038,166
Gains on valuation during the year	1,566,805	340,966
At 31 December	3,945,937	2,379,132

The fair value reserve shows the effects from the fair value measurement of financial instruments of the category Fair value through other comprehensive income. Any gains or losses recognised are non-recycling when the assets are derecognised.

Notes to the financial statements - continued

		2023	2022
34.3	**Property revaluation reserve**	**₦'000**	**₦'000**
	At 1 January	737,566	737,566
		737,566	737,566

34.3.1 This relates to revalued surplus being realised during the year as the assets are being used. The amount is the difference between the depreciation charged on revalued amount and depreciation that would have been charged based on the historical cost of the assets.

This comprised cumulative fair value changes on valuation of leasehold land & building net of deferred tax asset/liabilities.

35 Reconciliation of profit before income tax expense to net cash (used in) operating activities

	Note	2023 ₦'000	Restated 2022 ₦'000
Profit before income tax expense		1,403,844	586,331
Net cash provided by operating activities:			
Depreciation of property,plant and equipment and right-of-use assets	23	96,908	127,866
Amortisation of intangible assets	22	7,128	6,973
Profit on disposal of property,plant & equipment and right-of-use assets	8	(10,334)	(14,335)
Gain on derecognition of lease liabilities	8	-	(8)
Interest income	6	(952,880)	(773,546)
Other investment income	7	(256,819)	(235,485)
Net fair value (gain)/loss on financial assets	17.1	(114,400)	9,704
Credit loss expense/(reversal)	10	295,287	(3,248)
Gain on investment properties	21	(28,310)	(95,818)
Net foreign exchange (gain)/loss	8/9	(821,114)	5,562
Interest costs on retirement benefit obligations	29	27,244	25,912
Current service cost	29	19,962	13,353
Finance cost	11	1,604	1,734
		(331,879)	(345,005)
Changes in operating assets and liabilities			
(increase) in finance lease asset	20	(297,485)	(301,327)
(increase) in trade receivables		(114,984)	(96,894)
(increase)/ decrease in prepayment and other receivables		(27,955)	20,362
(Increase) in reinsurance assets		(969,822)	(604,132)
Increase in Insurance contract liabilities		2,487,265	514,608
Increase in trade payables		52,339	34,852
Increase/(Decrease) in other liabilities		193,143	(196,481)
		1,322,501	(629,012)
Income tax paid	12.2	(121,919)	(28,805)
Benefits paid	29	(20,375)	(29,607)
Repayment of interest portion of lease liabilities	28.3	-	(1,734)
Net cash flows from/(used in) operating activities		848,328	(1,034,163)

Notes to the financial statements - continued

35.1 Reconciliation of other operating cash payments

		2023	2022
		₦'000	₦'000
Auditor's remuneration		(27,000)	(18,000)
Acquisition cost paid	35.2c(ii)	(917,974)	(587,781)
Expense payment	35.2d(ii)	(524,840)	(472,160)
Management expenses		(1,164,232)	(1,213,163)
Change in other assets and receivables		(548,973)	(76,532)
Change in trade payables and other liabilities		245,482	(161,629)
		(2,937,537)	(2,529,265)

	2023	2022
	₦'000	₦'000
Less:		
Depreciation	96,908	127,866
Amortisation	7,128	6,973
Audit fees	27,000	18,000
Current services cost	19,962	13,353
Interest cost	27,244	25,912
	(2,759,296)	(2,337,161)

35.2 For the purpose of statement of the statement of cashflows

			2023	2022
			₦'000	₦'000
a	**Premiums received from policy holders**			
	Opening Trade receivable balance	18	125,063	28,169
	Gross premium written (i)		14,877,200	12,443,818
	Closing trade receivable balance	18	(240,047)	(125,063)
			14,762,216	12,346,924

			2023	2022
			₦'000	₦'000
i	**Analysis of gross premium written**			
	Motor	25.1 (a)	1,857,139	1,400,711
	Aviation	25.1 (b)	379,177	349,951
	Fire	25.1 (c)	6,335,396	5,072,577
	General accident	25.1 (d)	831,010	832,063
	Marine	25.1 (e)	1,867,621	1,576,622
	Bond	25.1 (f)	37,523	20,875
	Oil & Energy	25.1 (g)	1,836,529	1,789,236
	Engineering	25.1 (h)	418,320	261,741
	Agriculture	25.1 (i)	23,185	61,536
	Employer liability	25.1 (j)	29,539	32,056
	Goods in transit	25.1 (k)	1,007,562	821,153
	Salary protection	25.1 (l)	17,096	26,355
	Terrorism and political	25.1 (m)	83,412	77,657
	Mediclaim	25.1 (n)	153,691	121,285
			14,877,200	12,443,818

			2023	2022
35.2	**For the purpose of statement of the statement of cashflows**			
b	**Commissions received/reinsurance premium paid**		**₦'000**	**₦'000**
	Motor	25.2 (a)	63,147	69,889
	Aviation	25.2 (b)	153,311	104,972
	Fire	25.2 (c)	3,657,487	2,832,396
	General accident	25.2 (d)	83,281	70,051
	Marine	25.2 (e)	912,130	852,253
	Bond	25.2 (f)	15,701	8,816
	Oil & Energy	25.2 (g)	1,145,888	1,292,128
	Engineering	25.2 (h)	193,526	120,563
	Agriculture	25.2 (i)	9,616	33,367
	Employer liability	25.2 (j)	2,192	2,404
	Goods in transit	25.2 (k)	38	3,276
	Terrorism and political	25.2 (m)	33,566	50,581
			6,269,883	5,440,698

			2023	2022
			₦'000	**₦'000**
c	**Acquisition cost paid**			
	Motor	25.1 (a)	332,833	238,600
	Aviation	25.1 (b)	89,450	74,018
	Fire	25.1 (c)	1,687,790	1,225,180
	General accident	25.1 (d)	206,949	203,383
	Marine	25.1 (e)	308,164	273,542
	Bond	25.1 (f)	20,260	7,559
	Oil & Energy	25.1 (g)	412,530	384,960
	Engineering	25.1 (h)	105,356	65,449
	Agriculture	25.1 (i)	3,572	7,047
	Employer liability	25.1 (j)	5,169	6,196
	Goods in transit	25.1 (k)	167,490	159,993
	Salary protection	25.1 (l)	3,322	4,251
	Terrorism and political	25.1 (m)	60,641	18,320
	Mediclaim	25.1 (n)	20,154	12,790
			3,423,681	2,681,289

Notes to the financial statements - continued

Acquisition cost paid is further subdivided into

c(i) Actual commission paid

	2023	2022
	₦'000	₦'000
Motor	229,277	175,219
Aviation	74,451	66,960
Fire	1,170,500	944,804
General accident	163,077	161,854
Marine	247,050	181,549
Bond	7,505	4,175
Oil & Energy	355,962	347,909
Engineering	71,513	48,650
Agriculture	2,888	6,070
Employer liability	4,428	4,666
Goods in transit	149,245	126,339
Salary protection	1,989	3,299
Terrorism and political	16,129	15,587
Mediclaim	11,693	6,427
	2,505,707	2,093,508

c(ii) Other operating cash payments

	2023	2022
	₦'000	₦'000
Motor	103,556	63,381
Aviation	14,999	7,058
Fire	517,290	280,376
General accident	43,872	41,529
Marine	61,114	91,993
Bond	12,755	3,384
Oil & Energy	56,568	37,051
Engineering	33,843	16,799
Agriculture	684	977
Employer liability	741	1,530
Goods in transit	18,245	33,654
Salary protection	1,333	952
Terrorism and political	44,512	2,733
Mediclaim	8,461	6,363
	917,974	587,781

c(iv) Movement in deferred acquisition cost

Opening defered acquisition cost	-	498,763
Closing defered acquisition cost	-	355,125
	-	143,638

For 2022 acquistion cost paid, deferred acquistion cost was considered in line with IFRS 4

Notes to the financial statements - continued

			2023	2022
			₦'000	₦'000
d	**Claims and expenses paid**			
	Motor	25.1 (a)	860,586	725,132
	Aviation	25.1 (b)	372,271	27,593
	Fire	25.1 (c)	3,102,503	5,460,776
	General accident	25.1 (d)	536,059	467,960
	Marine	25.1 (e)	1,535,542	1,043,253
	Bond	25.1 (f)	7,293	4,556
	Oil & Energy	25.1 (g)	82,163	227,919
	Engineering	25.1 (h)	177,524	338,640
	Agriculture	25.1 (i)	20,753	43,561
	Employer liability	25.1 (j)	10,171	31,080
	Goods in transit	25.1 (k)	867,379	729,942
	Salary protection	25.1 (l)	21,600	73,129
	Terrorism and political	25.1 (m)	26,280	2,195
	Mediclaim	25.1 (n)	129,264	115,083
			7,749,388	9,290,818

Claims and expenses paid is further subdivided into

		2023	2022
d(i)	**Claims paid**	₦'000	₦'000
	Motor	801,379	674,219
	Aviation	363,695	21,923
	Fire	2,806,749	5,235,552
	General accident	510,976	434,599
	Marine	1,500,601	969,357
	Bond	-	1,837
	Oil & Energy	49,821	198,156
	Engineering	158,175	325,145
	Agriculture	20,362	42,776
	Employer liability	9,747	29,851
	Goods in transit	856,947	702,908
	Salary protection	20,839	72,364
	Terrorism and political	831	-
	Mediclaim	124,426	109,971
		7,224,548	8,818,658

Notes to the financial statements - continued

		2023	2022
d(ii)	**Expense paid**	**₦'000**	**₦'000**
	Motor	59,207	50,913
	Aviation	8,576	5,670
	Fire	295,754	225,224
	General accident	25,083	33,361
	Marine	34,941	73,896
	Bond	7,293	2,719
	Oil & Energy	32,342	29,763
	Engineering	19,349	13,495
	Agriculture	391	785
	Employer liability	424	1,229
	Goods in transit	10,432	27,034
	Salary protection	762	765
	Terrorism and political	25,449	2,195
	Mediclaim	4,837	5,112
		524,840	472,160

			2023	2022
			₦'000	**₦'000**
e	**Claims recoverable from re-insurers**			
	Motor	25.2 (a)	66,571	6,900
	Aviation	25.2 (b)	3,834	-
	Fire	25.2 (c)	3,299,062	4,669,086
	General accident	25.2 (d)	41,510	22,078
	Marine	25.2 (e)	1,381,690	579,662
	Bond	25.2 (f)	-	1,396
	Oil & Energy	25.2 (g)	29,079	32,753
	Engineering	25.2 (h)	92,661	117,099
	Agriculture	25.2 (i)	14,485	19,306
	Goods in transit	25.2 (k)	54,871	53,465
	Terrorism and political	25.2 (m)	876	-
			4,984,638	5,501,745
f	**Proceeds from disposal of PPE**			
	Cost	23	23,360	42,990
	Accumulated depreciation	23	(22,445)	(42,990)
	Net book value		914	-
	Gain on disposal	8	10,334	14,335
			11,248	14,335

Notes to the financial statements - continued

36 Cash and cash equivalents for purposes of the statement of cash flows

	2023	2022
	₦'000	₦'000
Bank and cash balances - Note 16	1,305,777	650,688
Deposits and placements - Note 16	1,553,685	2,776,949
	2,859,462	3,427,637

37 Related party transactions

Compensation of key management personnel

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

	2023	2022
Short-term employee benefits:	₦'000	₦'000
Salaries and allowances	170,651	131,857
Long-term employee benefits:		
Post employment pension benefits	7,143	5,031
	177,794	136,888
Amount paid to the chairman	4,000	4,000
Amount paid to the highest paid director	62,727	38,700

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	2023	2022
	Number	Number
=N=1,000,001 - =N=4,000,000	4	4
=N=7,000,001 and above	2	2
	6	6

Employees

The following are the number of persons in employment of the Company as at 31 December :	Number	Number
Executive Directors	2	2
Management (Managers & above)	14	11
Senior staff	39	40
Junior Staff	24	31
	79	84

Notes to the financial statements - continued

38 *Staff cost*

	2023	2022
	₦'000	₦'000
Salaries and allowances	618,246	483,925
Staff pension	28,572	24,583
Staff gratuity	47,206	39,265
	694,025	547,773

The number of employees of the Company, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	2023	2022
Emolument range	Number	Number
N500,000 - N1,000,000	-	1
N2,000,001 - N2,500,000	-	3
N2,500,001 - N3,000,000	9	17
N3,000,001 - Above	70	63
	79	84

39 **Contingencies and commitments**

The Company, in its ordinary course of business, is presently involved in 3 cases as a defendant (31 December 2022: 2 cases).

Legal 1

Sara Foods Ltd Vs. Prestige Assurance Plc & 2 others (Idowu Sofola & Co.)

Facts and contingent liability

The claimant, a sister company of Sara Product Limited allegedly had a fire policy.The insured claimed N40,427,434.77 as compensation for fire out break in the factory. Due to the fact that the premium on the policy had not been paid in full and in advance prior to the loss, the defendants repudiated the claims.

Update/status

The Court of Appeal delivered judgment on 5 July 2017 and declared the the contract of insurance unenforceable. The insured, dissatisfied with the Court decision, has now filed an appeal with the Supreme Court. Should in case the case is delivered in favour of the insured, Prestige's ultimate liability would not exceed 60% of the claim.

Notes to the financial statements - continued

39 Contingencies and commitments

Legal 2

Mrs. Kikelomo Kola Fasanu Vs. Prestige Assurance Plc

Facts and contingent liability

The Claimant is a former employee of the Company instituiting a case against the Company for wrongful dismissal and seeking a declaration that the circumstances of her termination constituted a redundancy. She seeks claim and payment of N20,518,206 being termination benefits and N7,486,475 being gratuity. Prestige Plc filed a counter claim of N16,502,877 being the balance outstanding on the housing loan taken by the claimant while she was an employee.

Update/status

Trial was concluded and judgment delivered by the court on 25 April 2018, wherein the entire claims of the claimant failed. The claimant aggrieved, has filed an appeal to the Court of Appeal. Prestige Assurance Plc has also filed a counter appeal in dissatisfaction with certain portions of the judgment. Both appeal have been consolidated and are set to argue same.

Legal 3

Mr Robert Marshall Effiom-Desouza Vs Prestige Assurance Plc

Facts and contingent liability

Mr. Robert Marshall Effiom-Desouza ('Insured') took out an insurance policy, Prestige Salary Protection Shield (PSPS) which is one of the company's products to provide cover for loss of employment. Mr Effiom upon the loss of his job, and pursuant to the claims schedule advised by the company at the inception of the Policy, the insured then lodged a claim in the sum of N8,250,000.

Prestige reviewed his claim and deducted the 6 months of severance pay he received from his employer, offering to pay only for the remaining 19 months. They argued this followed the principle of indemnity, which prevents them from overcompensating Mr. Effiom-Desouza for his loss.

The insured dissatisfied with Prestige's position, filed the above action. The Court declared that the principle of indemnity is not applicable to the Policy Document and therefore cannot be invoked to amend the provisions of the Agreement voluntarily entered by parties. The company was ordered to pay to the insured a total sum of N8,250,000.00 and the sum of N250,000.00 being nominal damages for breach of contractual duty which is a total sum of N9m.

Update/status

The Company filed a Notice of Appeal, Motion for Extension of Time and Motion for Stay of Execution while the Insured filed a Motion Exparte for Garnishee Proceeding wherein the court ordered the garnishee (Eco Bank) to pay the sum of N9m as stated to the Registrar of the Court for safe keeping, which will be given to the successful party at the appeal.

40 Contraventions

During the year the company paid the following amount as penalties to NAICOM

	₦'000
Violations observed during the risk based supervision conducted in 2021	6,800
Violation of Paragraph 2.5.8 of Market Conduct Guidelines in 2023	7,250
2011 & 2012 delay in filling of Quarterly & Annual Accounts	2,028
	16,078

Notes to the financial statements - continued

41 Events after the reporting date

There were no events after the reporting date which could have a material effect on the disclosures and the financial position of the Company as at 29 May 2024 and on its profit or loss and other comprehensive income for the year then ended.

42 Asset and Liability Management

Asset and Liability Management (ALM) attempts to address financial risks the Company is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long run its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. ALM ensures that specific assets of the Company is allocated to cover reinsurance and liabilities of the Company.

The Company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. The notes below show how the Company has managed its financial risks.

	Insurance funds	Shareholders' funds	2023
ASSETS	₦'000	₦'000	₦'000
Cash and cash equivalents	2,859,462	-	2,859,462
Financial assets:			
Financial assets at fair value through profit or loss	255,996	-	255,996
Debt instruments at amortised cost	1,468,241	5,950,624	7,418,865
Equity instruments at fair value through other comprehensive income	-	4,540,172	4,540,172
Trade receivables	240,047	-	240,047
Prepayments and other receivables	-	177,298	177,298
Reinsurance assets	7,408,454	-	7,408,454
Finance lease receivables	-	383,424	383,424
Investment property	677,803	2,033,409	2,711,212
Intangible assets	-	60,033	60,033
Property, plant and equipment	-	1,496,376	1,496,376
Statutory deposit	-	300,000	300,000
	12,910,004	14,941,335	27,851,339
LIABILITIES			
Insurance contract liabilities	10,293,551	-	10,293,551
Trade payables	-	62,205	62,205
Other liabilities	-	479,247	479,247
Retirement benefits obligation	-	296,260	296,260
Current income tax payable	-	90,282	90,282
Deferred tax liabilities	-	624,772	624,772
	10,293,551	1,552,766	11,846,316
Surplus	2,616,453	13,388,570	16,005,023

Notes to the financial statements - continued

	Insurance funds	Shareholders' funds	2022
ASSETS	₦'000	₦'000	₦'000
Cash and cash equivalents	3,427,637	-	3,427,637
Financial assets:			
Financial assets at fair value through profit or loss	213,594	-	213,594
Debt instruments at amortised cost	1,157,054	2,537,931	3,694,985
Equity instruments at fair value through other comprehensive income	-	2,799,278	2,799,278
Trade receivables	125,063	-	125,063
Prepayments and other receivables	-	149,343	149,343
Reinsurance assets	6,721,476		6,721,476
Finance lease receivables	-	398,233	398,233
Investment property	670,726	2,012,177	2,682,902
Intangible assets	-	37,060	37,060
Property, plant and equipment	-	1,489,476	1,489,476
Statutory deposit	-	300,000	300,000
	12,315,549	9,723,498	22,039,047
LIABILITIES			
Insurance contract liabilities	7,806,285	-	7,806,285
Trade payables	-	9,866	9,866
Other liabilities	-	286,104	286,104
Retirement benefits obligation	-	195,839	195,839
Current income tax payable	-	121,638	121,638
Deferred tax liabilities	-	469,929	469,929
	7,806,285	1,083,376	8,889,661
Surplus	4,509,264	8,640,122	13,149,385

Notes to the financial statements - continued

43 Management of insurance and financial risk

The Company issues contracts that transfers insurance risk. This section summarises the main risks linked to short-term insurance business and the way they are managed.

(i) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is fortuitous and therefore unexpected and unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and indemnity payments exceed the carrying amount of the insurance liabilities.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

ii Frequency and severity of claims

The frequency and severity of claims can be affected by several factors, the most significant resulting from events like fire and allied perils and their consequences and liability claims. Inflation is another factor that may affect claims payments.

Underwriting measures are in place to enforce appropriate risk selection criteria or not to renew an insurance contract if the perceived level of risk is very high.

The reinsurance arrangements for proportional and non-proportional treaties are such that the Company is adequately protected and would only suffer predetermined amounts.

(iii) Concentration of insurance risk

The following table discloses the concentration of claims by class of business gross and net of reinsurance.

31 December 2023	Outstanding claims		
	No. of claims	Gross	Net
Class of Business		₦'000	₦'000
Fire	204	3,097,384	(321,813)
General Accident	65	548,724	461,069
Motor	60	417,873	361,182
Marine	48	698,272	(408,891)
Aviation	13	356,090	148,251
Employers' Liability	7	17,601	17,528
Oil & Energy	19	218,376	64,021
Engineering	17	196,109	71,341
Bond	2	91,961	35,486
Goods In Transit	91	361,712	328,020
Terrorism & Political	-	8,981	4,491
Mediclaim	69	49,097	48,857
Agriculture	2	7,734	5,113
Salary Protection	6	12,839	10,913
	603	6,082,753	825,568

Notes to the financial statements - continued

31 December 2022

	Outstanding claims		
	No. of claims	Gross	Net
Class of Business		₦'000	₦'000
Fire	113	2,212,904	(751,982)
General Accident	87	503,151	194,407
Motor	54	254,645	211,484
Marine	33	1,133,826	(145,011)
Aviation	13	43,603	43,603
Employers' Liability	4	12,062	11,111
Oil & Energy	19	96,580	26,364
Engineering	20	149,519	(94,740)
Bond	1	39,446	19,242
Goods In Transit	82	448,323	380,187
Terrorism & Political	-	3,283	3,283
Mediclaim	65	26,660	26,660
Agriculture	1	1,641	1,641
	492	4,925,643	(73,751)

The Company manages insurance risks through the underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk and class of business.

iv Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). 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 they adopted. The compensation paid on these contracts is the monetary awards granted.

The Company claims are short tail and are settled within a short time and the Company's estimation processes reflect with a higher degree of certainty all the factors that influence the amount and timing.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR and a provision for reported claims not yet paid at the reporting date. The Company has ensured that liabilities on the statement of financial position at year end for existing claims whether reported or not, are adequate.

The Company has in place a series of quota-share and excess of loss covers in each of the last five years to cover for losses on these contracts.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management

The Company is exposed to financial risks through its financial assets, financial liabilities and insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund obligations arising from insurance contracts.

The most important components of this financial risk are:

- Market risk (which includes currency risk, interest rate risk and equity price risk);
- Credit risk;
- Liquidity risk;
- Capital management; and
- Fair value estimation.

These risks arise from open position in interest rate, currency and equity products, all of which are exposed to general and open market movements.

The Company's risk management policies are designed to identify and analyse risks, to set appropriate risk limits and control, and monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board recognises the critical importance of having efficient and effective risk management policies and systems in place.

To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management, individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

i Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Company has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Company monitors adherence to this market risk policy through the Company's Investment Committee. The Company's Investment Committee is responsible for managing market risk.

The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk in investment returns and asset values. The Company's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

ia Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates is been reduced since the Company’s long-term investment in interest rate instruments are fixed interest rate and majorly federal govenment bonds. The Company is not subject to interest rate risk in the reporting year. This is because the Company has no floating rate instrument in the reporting year (2022: Nil).

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

ib Equity price risk

The Company's equity price risk exposure relates to financial assets whose value fluctuate as a result of changes in market prices. The Company has unquoted equities designated as equity instruments through other comprehensive income whose fair value is determined using a valuation technique because of the lack of active market for these instruments.

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

A 1% movement in market prices will result in an unrealised gain or loss for the year of =N=2.5 million (December 2022: =N=2.13 million).

Management monitors movements of financial assets and equity price risk movements on a monthly basis by assessing the expected changes in the different portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Company's equity instruments in that particular index moving proportionally.

ic Currency risk

The Company purchases reinsurance contracts internationally, thereby exposed to foreign currency fluctuations.

The Company's primary exposures are with respect to the US Dollar.

The Company also has a number of investments in foreign currencies which are exposed to currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

Sensitivity risk

If the Naira had weakened/stregthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below mainly as a result of foreign exchange gains/losses:

The Company financial assets and financial liabilities by currency is detailed below:

A 5% (2022:5%) movement in foreign exchange rate in USD against the Naira will result in =N= 15.4 million gain or loss (2022: =N=11 million). In Euro, =N=1.87 million (2022: =N=1.47 million). And in pounds sterling, =N=0.29 million (2022: =N=0.23 million).

	Naira	USD	Euro	Pounds	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
31 December 2023					
Cash and cash equivalents	2,479,233	309,920	81,167	981	2,871,301
Debt instrument at amortised cost	2,701,592	4,831,368	-	-	7,532,959
31 December 2022					
Cash and cash equivalents	3,178,890	219,084	29,347	464	3,427,785
Debt instrument at amortised cost	2,862,038	942,200	-	-	3,804,238

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Sensitivity risk - continued

ii Credit risk

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations and cause the Company to incur a financial loss. Credit risk arises mainly from 5 sources: Insurance and reinsurance receivables, trade receivables, finance lease receivables, cash deposit and debt instruments at amortised costs.

The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The company maximum exposure is measured on gross amount basis

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.

The table below provides information regarding the credit risk exposure of the Company in relation with comparative exposure:

Maximum exposure to credit risk before collateral held or other credit enhancements:	**Maximum exposure**	
	2023	**2022**
	₦'000	**₦'000**
Cash and cash equivalents	2,871,301	3,427,785
Trade receivables	240,047	125,063
Debt measured at amortised cost	7,532,959	3,804,238
Finance lease receivables	391,740	410,638
Total assets bearing credit risk	11,036,048	7,767,724

Age analysis for past due and impaired	**Cash and cash equivalents**	**Trade receivables**	**Debt measured at amortised cost**	**Finance lease receivables**	**Total**
31 December 2023					
Neither past due nor impaired	2,871,301	240,047	7,532,959	391,740	11,036,048
Impairment allowance	(11,839)	-	(114,094)	(8,316)	(134,250)
Net	2,859,462	240,047	7,418,865	383,424	10,901,799

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

Age analysis for past due and impaired		Cash and cash equivalents	Trade receivables	Debt measured at amortised cost	Finance lease receivables	Total
		₦'000	₦'000	₦'000	₦'000	₦'000
31 December 2022						
Neither past due nor impaired		3,427,785	125,063	3,804,238	410,638	7,767,724
Impairment allowance		(148)	-	(109,253)	(12,405)	(121,806)
Net	-	3,427,637	125,063	3,694,985	398,233	7,645,918

Reinsurance credit exposures

The Company is however, exposed to concentrations of risks with respect to their reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by their reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk.

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

Industry analysis

The table below provide information on the credit exposure of the Company by the level of industry in which its operate.

31 December 2023	Financial services	Government	Others	Total
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	2,871,301			2,871,301
Debt measured at amortised cost	91,414	7,335,113	106,432	7,532,959
Trade receivables	240,047			240,047
Prepayment & other receivables	50,586			50,586
Reinsurance assets	7,408,454			7,408,454
Finance lease receivables			391,740	391,740
Statutory deposit	300,000			300,000
	10,961,803	7,335,113	498,173	18,795,088

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

31 December 2022	Financial services	Government	Others	Total
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	3,427,785			3,427,785
Debt measured at amortised cost	91,414	3,623,737	89,087	3,804,238
Trade receivables	125,063	-	-	125,063
Prepayment & other receivables	24,557	-	-	24,557
Reinsurance assets	6,721,476	-	-	6,721,476
Finance lease receivables	-	-	410,638	410,638
Statutory deposit	300,000	-	-	300,000
	10,690,295	3,623,737	499,725	14,813,757

ii Credit risk - continued

Impairment assessment

The Company's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Company also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk.

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):
‣ quantitative element (i.e. reflecting a quantitative comparison of PD at the reporting date and PD at initial recognition);
‣ a qualitative element; and
‣ 'backstop' indicators

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:
‣ the remaining lifetime PD as at the reporting date; with
‣ the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

ii Credit risk - continued

Qualitative elements

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Company recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

Backstop indicators

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

During the year, there has been no significant increase in credit risk on the financial asset of the Company. However, a Corporate bond held by the Company defaulted during the year and was considered credit impaired individually using lifetime PD.

Expected credit losses

The Company assesses the possible default events within 12 months for the calculation of the 12mECL and lifetime for the calculation of LTECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio varies for different instruments.

Impairment losses on financial assets subject to impairment assessment

Debt Instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on S&P's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

	2023		2022	
	12mECL	Total	12mECL	Total
	₦'000	₦'000	₦'000	₦'000
S&P ratings performing				
Cash & cash equivalents				
BBB-BB+B-C	2,871,301	2,871,301	3,427,785	3,427,785
Total gross amount	2,871,301	2,871,301	3,427,785	3,427,785
ECL	(11,839)	(11,839)	(148)	(148)
Total net amount	2,859,462	2,859,462	3,427,637	3,427,637

Notes to the financial statements - continued
43 Management of insurance and financial risk - continued
b Financial risk management - continued
ii Credit risk - continued

S&P ratings performing

Debt instruments at amortised cost	2023			2022		
	12mECL	LTECL	Total	12mECL	LTECL	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
BBB-B+	7,441,543	91,416	7,532,959	3,712,822	91,416	3,804,238
Total gross amount	7,441,543	91,416	7,532,959	3,712,822	91,416	3,804,238
ECL	(22,678)	(91,416)	(114,094)	(17,837)	(91,416)	(109,253)
Total net amount	7,418,865	-	7,418,865	3,694,985	-	3,694,985

	2023			2022		
	12mECL	LTECL	Total	12mECL	LTECL	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Unrated						
Finance lease receivables	391,740	-	391,740	410,638	-	410,638
Total gross amount	391,740	-	391,740	410,638	-	410,638
ECL	(8,316)	-	(8,316)	(12,405)	-	(12,405)
Total net amount	383,424	-	383,424	398,233		398,233

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by using days past due and assessing other information obtained externally.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the Company also reviews changes in Bond yields together with available press and regulatory information about issuers.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers) and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be Baa3 or higher based on the Moody rating.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable;
- Exposures are not generally transferred from 12-month ECL measurement to credit impaired; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occuring at the reporting date based on the modified term; with
- The risk of default occuring estimated based on data on initial recognition and the original contractual terms.

Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

‣ The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).

‣ The obligor is past due more than 90 days on any material credit obligation to the Company.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

ii Credit risk - continued

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

‣ The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).

‣ The obligor is past due more than 90 days on any material credit obligation to the Company.

The elements to be taken as indications of unlikeliness to pay include:

- The insurer puts the credit obligation on non-accrued status.
- The insurer makes a charge-off or account-specific provision resulting from a significant perceived decline in credit quality subsequent to the Company taking on the exposure.
- The insurer sells the credit obligation at a material credit-related economic loss.
- The insurer consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.6(h) Summary of material accounting policies. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's rating agency, government agencies, Monetary authorities in Nigeria, etc.) and a team of economists within its Credit Risk Department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios for each of the four geographical segments, as at 31 December 2023 and 2022

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2024	2025	2026	Subsequent years
31 December 2023						
Inflation Rate (%)	Upturn	16.7%	30%	23%	23%	23%
	Base-case	68.8%	32%	25%	25%	25%
	Downturn	14.6%	37%	30%	30%	30%
Crude oil Price (In USD)						
	Upturn	16.7%	90	78	78	78
	Base-case	68.8%	83	71	71	71
	Downturn	14.6%	69	58	58	58
Prime Lending						
	Upturn	16.7%	13.0%	12.4%	12.4%	12.4%
	Base-case	68.8%	13.3%	12.7%	12.7%	12.7%
	Downturn	14.6%	13.6%	13.00%	13.0%	13.0%

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

Key drivers	ECL scenario	Assigned probability	2023	2024	2025	Subsequent years
31 December 2022						
Inflation Rate (%)	Upturn	17%	14%	14%	14%	14%
	Base-case	68%	15%	15%	15%	15%
	Downturn	15%	19%	19%	19%	19%
Crude oil Price (In USD)						
	Upturn	17%	88	88	88	88
	Base-case	68%	86	86	86	86
	Downturn	15%	79	79	79	79

The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-23

ECL scenario	Assigned probability	Cash & cash equivalents	Debt instruments at amortised cost	Finance lease receivables	Total
		₦'000	₦'000	₦'000	₦'000
Upturn	16.7%	1,973	19,016	1,386	22,375
Base-case	68.8%	8,139	78,440	5,717	92,297
Downturn	14.6%	1,726	16,639	1,213	19,578
		11,839	114,094	8,316	134,250

31-Dec-22

ECL scenario	Assigned probability	Cash & cash equivalents	Debt instruments at amortised cost	Finance lease receivables	Total
		₦'000	₦'000	₦'000	₦'000
Upturn	17.0%	25	18,596	2,111	20,733
Base-case	68.1%	101	74,385	8,446	82,932
Downturn	14.9%	22	16,272	1,848	18,141
		148	109,253	12,405	121,806

iii Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its insurance liabilities as they fall due. Prestige mitigates this risk by having an investment strategy which focuses on liquidity and capital preservation before investment returns.

The table below presents the cash flows receivable/payable by the Company. The amounts disclosed in the table are the contractual undiscounted cash flows. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

iii Liquidity Risk - continued

31 December 2023

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year but less than 5 years	Over 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	1,317,616	1,553,685	-	-	-	-	2,871,301
Trade receivables	240,047	-	-	-	-	-	240,047
Reinsurance assets	6,778,676	540,410	-	282,844	-	-	7,601,930
Prepayments and other receivables	-	-	50,586	-	-	-	50,586
Finance lease receivables	2,950	7,350	101,167	64,644	215,629	-	391,740
Debt securities at amortised cost	-	363	1,136	4,030	80,486	10,162,590	10,248,605
Financial asset at FVTPL	255,996	-	-	-	-	-	255,996
Equities instrument at FVOCI	-	-	-	-	-	4,540,172	4,540,172
Total financial assets	8,595,286	2,101,808	152,889	351,518	296,115	14,702,762	26,200,378
Insurance contract liabilities	1,737,510	1,440,618	5,271,498	878,529	965,396	-	10,293,551
Other liabilities	-	148,772	26,332	235,409	14,210	-	424,724
Trade payables	-	55,198	7,007	-	-	-	62,205
Total financial liabilities	1,737,510	1,644,588	5,304,837	1,113,938	979,606	-	10,780,479
Net liquidity position	6,857,776	457,220	(5,151,948)	(762,420)	(683,491)	14,702,762	15,419,898

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

31 December 2022

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year but less than 5 years	Over 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	650,836	2,776,949	-	-	-	-	3,427,785
Trade receivables	125,063	-	-	-	-	-	125,063
Reinsurance assets	6,632,104	1,098,064	254,516		37,786	-	6,721,476
Prepayments and other receivables	-		24,557	-	-	-	24,557
Finance lease receivables	5,172	8,228	10,589	72,722	313,927	-	410,638
Debt securities at amortised cost	249	390	2,198	2,638	64,565	3,734,198	3,804,238
Financial asset at FVPL	213,594		-	-	-	-	213,594
Equities instrument at FVOCI	-	-	-	-	-	2,799,278	2,799,278
Total financial assets	7,627,018	3,883,631	291,860	75,360	416,278	6,533,476	17,526,629
Insurance contract liabilities	1,322,344	67,560	3,225,071	1,423,333	1,678,610	-	7,806,285
Other liabilities	-	126,760	7,582	129,480	6,547	-	270,369
Trade payables	-	25,304	(15,438)	-	-	-	9,866
Total financial liabilities	1,322,344	219,624	3,217,215	1,552,813	1,685,157	-	8,086,520
Net liquidity position	6,304,674	3,664,007	(2,925,355)	(1,477,453)	(1,268,879)	6,533,476	9,440,108

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

iii Liquidity Risk - continued

The following tables indicate the contractual timing of cash flows in respect of cash flows arising from financial instruments impacted by this risk:

At 31 December 2023

	Carrying amount	No stated maturity	0 - 90 days	91 - 180 days	181 - 365 days	1 - 5 years	> 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	2,859,462	-	2,859,462	-	-	-	-	2,859,462
Trade receivables	240,047	-	240,047	-	-	-	-	240,047
Reinsurance assets	7,408,454		7,319,086	-	282,844	-	-	7,601,930
Prepayments and other				24,557				24,557
Finance lease receivables	391,740	-	10,300	101,167	64,644	215,629	-	391,740
Financial asset at FVPL	255,996	255,996	-	-	-	-	-	255,996
Debt instruments at amortised cost	7,418,865	-	363	1,136	4,030	80,486	10,162,590	10,248,605
Equity instrument at FVOCI	4,540,172	4,540,172	-	-	-	-	-	4,540,172
Statutory deposit	300,000	300,000	-	-	-	-	-	300,000
	23,414,737	5,096,168	10,429,259	126,860	351,518	296,115	10,162,590	26,462,510
Insurance contract liabilities	10,293,551		3,178,128	5,271,498	878,529	965,396		10,293,551
Other liabilities	384,181	-	148,772	-	235,409	-	-	384,181
Lease liabilities	14,210	-	-	-	15,225	1,165	-	16,390
Trade payables	62,205		55,198	7,007	-	-	-	62,205
	460,596	-	203,970	7,007	250,634	1,165	-	462,776
Net liquidity position	22,954,141	5,096,168	10,225,289	119,853	100,884	294,950	10,162,590	25,999,734

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

At 31 December 2022

	Carrying amount ₦'000	No stated maturity ₦'000	0 - 90 days ₦'000	91 - 180 days ₦'000	180 - 365 days ₦'000	1 - 5 years ₦'000	> 5 years ₦'000	Total ₦'000
Cash and cash equivalents	3,427,637	-	3,427,637	-	-	-	-	3,427,637
Trade receivables	125,063	-	125,063	-	-	-	-	125,063
Reinsurance assets	6,721,476	-	7,730,168	254,516	-	37,786	-	8,022,470
Prepayments and other receivables	-	-	-	24,557	-	-	-	24,557
Finance lease receivables	410,638	-	13,400	10,589	72,722	313,927	-	410,638
Financial asset at FVPL	213,594	-	213,594	-	-	-	-	213,594
Debt instruments at amortised cost	3,804,238		639	2,198	2,638	64,565	3,734,198	3,804,238
Equity instrument at FVOCI	2,799,278	2,799,278	-	-	-	-	-	2,799,278
Statutory deposit	300,000	300,000	-	-	-	-	-	300,000
	17,801,924	3,099,278	11,510,501	291,860	75,360	416,278	3,734,198	19,127,475
Insurance contract liabilities	7,806,285	-	1,389,904	3,225,071	1,423,333	1,678,610	-	7,716,918
Other liabilities	256,240	-	126,760		129,480	-	-	256,240
Lease liabilities	6,547	-	-	-	-	8,560	-	8,560
Trade payables	9,866	-	25,304	(15,438)	-	-	-	9,866
	272,653	-	152,064	(15,438)	129,480	8,560	-	274,666
Net liquidity position	17,529,271	3,099,278	11,358,437	307,298	(54,120)	407,718	3,734,198	18,852,809

Note: Prepayment & other receivables excludes prepayments and WHT whilst other liabilities exclude statutory deductions

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Valuation bases

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.

Fair values are determined at prices quoted in active markets. In the current 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 would 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. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	At 31 December 2023		At 31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
	₦'000	₦'000	₦'000	₦'000
Financial assets				
Fair value through profit or loss	255,996	255,996	213,594	213,594
Equity instruments at fair value through other	4,540,172	4,540,172	2,799,278	2,799,278
Debt securities at amortised cost	7,418,865	6,014,279	3,694,985	3,850,444
Total	12,215,033	10,810,447	6,707,857	6,863,316

The management assessed that the fair values of cash and cash equivalents, other receivables and borrowings (book balance) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e. derived from prices)
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

The hierarchy of the fair value measurement of the Company's financial assets and financial liabilities are as follows:

31 December 2023	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financial assets				
Financial assets at fair value through profit or loss- Listed equities	255,996	-	-	255,996
Equity instrument at FVOCI (Unlisted)	-	-	4,540,172	4,540,172
Asset for which fair value are disclosed				
Debt securities at amortised cost	-	5,949,140	65,139	6,014,279
31 December 2022	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial assets				
Financial assets at fair value through profit or loss- Listed equities	213,594	-	-	213,594
Equity instrument at FVOCI (Unlisted)	-	-	2,799,278	2,799,278
Asset for which fair value are disclosed				
Debt securities at amortised cost	-	3,793,254	57,190	3,850,444

The following methods and assumptions were used to estimate the fair values:

- The fair values of the financial assets at fair value through profit or loss are based on active market price quotations at the reporting date.
- The fair values of the non-listed equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity instruments.
- The Fair values of debt instruments at amortised cost is based on market comparison of similar securities on quoted market prices in an active market. This is adjusted for accrued interest on the instrument after the last interest/coupon payment date. The Company values these investments at closing bid price.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2023 and 2022 are shown below:

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable input	Range (weighted Average)	Sensitivity of input to fair value
Leadway Protea Hotel Ltd	DCF Net Assets	Revenue	15%-20% (2022:15%-20%)	5% (2022: 5%) increase (decrease) in the revenue would result in an increase (decrease) in fair value by N4,000,000 (2022: N6,576,500)
		EBITDA	5% (2022: 5%)	5% (2022: 5%) increase (decrease) in the margin would result in an increase (decrease) in fair value by N5,000,000,456 (2022: N4,711,526)
Leadway PFA scheme share	DCF	Long-term growth rate for cash flows for subsequent years	10% (2022:10%)	5% (2022: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by N7,000,000(2022: N311,745,600)
		Net Income	10% (2022:10%)	2% (2021: 2%) increase (decrease) in the margin would result in an increase (decrease) in fair value by N136,000,000 (2022: N38,593,383)
		Discount rate	22.4% (2022:22.4%)	2% (2022: 2%) increase (decrease) in the discount would decrease (increase) the fair value by N87,000,000 (2022: N82,964,829)

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable input	Range (weighted Average)	Sensitivity of input to fair value
Waica Reinsurance Corporation	DCF	Earnings	5% (2022: 5%)	5% (2022: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by N9,700,000 (2021:N 8,200,000)

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	Leadway PFA scheme share ₦'000	Leadway Protea Hotel Ltd ₦'000	Nigerian Insurers Association pool ₦'000	Waica Reinsurance Corporation ₦'000	Total ₦'000
As at 31 December 2021	2,078,304	131,530	136,307	112,171	2,458,312
Remeasurement recognised in OCI	288,653	(2,675)	10,277	44,711	340,966
As at 31 December 2022	2,366,957	128,855	146,584	156,882	2,799,278
Remeasurement recognised in OCI	1,374,163	51,548	141,877	173,306	1,740,894
As at 31 December 2023	3,741,120	180,403	288,461	330,188	4,540,172

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Valuation bases - continued

iv Money market funds and similar securities

The estimated fair value of money market funds is based on discounted cash flows using prevailing quoted Money-market interest rates for debts with similar credit risk and maturity.

Maturity analysis on expected maturity basis

At 31 December 2023	Current ₦'000	Non-current ₦'000	Total ₦'000
Cash and cash equivalents	2,859,462	-	2,859,462
Financial assets:			
Fair value through profit or loss	255,996	-	255,996
Equity instruments at fair value through other comprehensive income	4,540,172	-	4,540,172
Debt instruments at amortised cost	106,432	7,312,433	7,418,865
Trade receivables	240,047	-	240,047
Prepayment & other receivables	177,298	-	177,298
Reinsurance assets	7,408,454	-	7,408,454
Finance lease receivables			383,424
Investment property	-	2,711,212	2,711,212
Intangible assets	-	60,033	60,033
Property, plant and equipment	-	1,496,376	1,496,376
Statutory deposit	-	300,000	300,000
Total assets	**15,587,862**	**11,880,053**	**27,851,339**
Liabilities			
Insurance contract liabilities	10,293,551	-	10,293,551
Trade payables	62,205	-	62,205
Other liabilities	479,247	-	479,247
Retirement benefits obligation	-	296,260	296,260
Current income tax payable	90,282	-	90,282
Deferred tax liabilities	-	624,772	624,772
Total liabilities	10,925,284	921,032	11,846,316
Net maturity mismatch	4,662,578	10,959,021	16,005,023

Notes to the financial statements - continued

At 31 December 2022	Current ₦'000	Non-current ₦'000	Total ₦'000
Cash and cash equivalents	3,427,637	-	3,427,637
Financial assets:			
Fair value through profit or loss	213,594	-	213,594
Equity instruments at fair value through other comprehensive income	2,799,278	-	2,799,278
Debt instruments at amortised cost	5,475	3,689,510	3,694,985
Trade receivables	125,063	-	125,063
Prepayment & other receivables	149,343	-	149,343
Reinsurance assets	6,721,476	-	6,721,476
Finance lease receivables	96,711	301,522	398,233
Investment property	-	2,682,902	2,682,902
Intangible assets	-	37,060	37,060
Property, plant and equipment	-	1,489,476	1,489,476
Statutory deposit	-	300,000	300,000
Total assets	13,538,577	8,500,470	22,039,047
Liabilities			
Insurance contract liabilities	7,806,285	-	7,806,285
Trade payables	9,866	-	9,866
Other liabilities	286,104	-	286,104
Retirement benefits obligation	-	195,839	195,839
Current income tax payable	121,638	-	121,638
Deferred tax liabilities	-	469,929	469,929
Total liabilities	8,223,893	665,768	8,889,661
Net maturity mismatch	5,314,683	7,834,702	13,149,385

Prestige Assurance is committed to the management of various enterprise risks that could hinder the achievement of its strategic objectives. In doing this, the Company follows its internal control and enterprise risk management policies which was developed according to the provisions of the Committee of Sponsoring Organizations of Treadway Commission (COSO) and approved by the National Insurance Commission, NAICOM. While this framework does not provide answers to all the questions and the challenges experienced in the market in the past year, its engagement has strengthened our organization's resilience to major risk exposures.

Our risk philosophy and objectives are clearly defined and has been integrated into our decision making process. Some of the components of our enterprise risk management system are:

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Enterprise risk management-continued

Governance System: The overall responsibility for the management of our enterprise risks resides with the Board through its Enterprise Risk Management (ERM) Committee. This committee works closely with the Chief Risk Officer/ERM Steering Committee to ensure significant risks are not only identified but escalated to the Management and Board. The functional Managers are saddled with the responsibility to carry out regular assessment of existing, newly identified and emerging risk applicable to the functional operations.

Risk Identification & Assessment: Risks associated with the Company's operations that may affect its strategic objectives and annual performance are regularly identified and evaluated by management. This process involves a dynamic and interactive procedure where the staff, functional managers, chief risk officer and management staff attempt to identify significant risk situations, assess risk exposures from them and suggest controls to combat them. In the course of the year, the Company encountered some significant risks:

Significant Risks	Impact on Operations
Reputation Risks	Brand Image of the Company
Financial Risks	Paid higher values on claims due to Naira devaluation.
Legal Risks	Increased management cost.

Risk Control & Mitigation: Risk control activities are engaged at different levels and by different functional units. Its major focus is to reduce the impact of losses from identified risk categories and emerging significant risks. Some of our existing risk categories and control measures are:

Risk Categories	Control Measures
Insurance Risks	Finalization of underwriting policies and acceptance of risk defined to the Underwriting department and branches.
Financial Risks	Interest rate gap analysis, reports, priority focus, measurement testing
Strategic Risks	Instituted Risk Strategy Committee
Hazard Risks	Risks and Control Assessment, Monitoring and Control Measures
Reputational Risks	Due diligence, Trend in Customer Complaints and customer feedback mechanism.

Internal & External Communication: in line with the Company's philosophy of open communication, management provides relevant information to staff, Board, shareholders and industry regulators. This enhances the achievement of our corporate objectives in various ways. We do this by sharing regular information with staff, provision of standard operating systems and standard level agreement for effective internal operations. We also provide quarterly report to the Board, Securities and Exchange Commission, Nigerian Stock Exchange and the National Insurance Commission on all aspects of the Company's operations.

Risk Monitoring: Management ensures an ongoing monitoring of the operations of the Company through the activities of internal audit and control and the risk management department of the Company. Adherences to existing policies are checked, control activities are evaluated and deficiencies are identified and corrected.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Enterprise risk management - continued

Enterprise-wide Risk Management Principles

Prestige Assurance Plc try as much as possible to balance its portfolio while maximizing our value to stakeholders through an approach that mitigate the inherent risk.

To ensure effective and economic use of resources, we operate strictly by the following principles:

-The Company will not take any action that will compromise its integrity

-The Company will at all times comply with all government regulations and uphold best international practice.

-The Company will build an enduring risk culture, which shall pervade the entire organisation

-The Company will at all time hold a balanced portfolio and adhere to guidelines on investment issued by the regulator and Finance and General Purpose Committee of the Company.

-The Company will ensure that there is adequate reinsurance in place for the business above its limit and also prompt payment of such premiums.

Approach to Risk Management

In Prestige Assurance, there are levels of authority put in place for the oversight function and management of risk to create and promote a culture that mitigate the negative impact of risks facing the Company.

The Board

The Board sets the organisation's objectives, risk appetite and approves the strategy for managing risk. There are various committee nominated to serve of whom their various functions are geared towards minimising likelihood impacts of risks faced by the Company.

The Audit Committee:

The Board Audit Committee performs the following functions:

1.) Perform oversight function on accounting and financial reporting

2.) Liase with the external auditors

3.) Ensure regulatory compliance

4.) Monitoring the effectiveness of internal control processes within the Company.

Board Risk Committee

This is more of a technical committee that oversee the business process. Their functions include:

1.) Reviewing of Company's risk appetite

2.) Oversee management's process for the identification of significant risk across the Company and the adequacy of prevention detection and reporting mechanisms.

3.) Reviews underwriting risks especially above limit for adequacy of reinsurance and company's participation.

4.) Review and recommend for approval of the Board, risk management procedures and controls for new products and services

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Enterprise risk management - continued

Board Investment Committee

1.) Set the investments limit and the type of business the Company should invest in
2.) Reviews and approves the above Company's investment policy
3.) Approves investments over and above managements' approval limit
4.) Ensures that there is optimal asset location in order to meet the targeted goals of the Company.

The second level is the management of the Company. This comprises of Managing Director and the management staff of the Company.

They are responsible for strategy implementation of the Enterprise Risk Management policies and guidelines set by the regulator, government and the board for risk mitigation. This is achieved through the business unit they supervised. The last level is that of independent assurance. This comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's systems of internal control established by the first and second lines of defence in management of enterprise risks across the organisation.

Risk Categorisation

As a business entity and an underwriter, Prestige Assurance Plc is exposed to an array of risk through its operations. The Company has identified and categorised its exposure to these broad risks as listed below.

Financial risk
Business risk
Operational risk
Hazard risk
Underwriting risk

Financial Risk

Financial risk comprises of market, liquidity and credit risk.

Market risks are sub-divided into interest-rate risk, exchange risk, property price risk and equity risk. Liquidity risk includes liquidation value risk, affiliated investment risk and capital funding risk. Credit risk includes default risk, downgrade or mitigation risk, indirect credit or spread risk and concentration risk.

Business Risk

Business risk relates to the potential erosion of our market position. This includes customer risk, innovation risk and brand reputation risk.

Operational Risk

This is the risk of loss resulting from inadequacy or failure of internal processing arising from people, systems and or from external events.

Hazard Risk

These are risk which are rare in occurrence but likely impact may be major on the Company. Examples of these are natural disaster, terrorism, health and environmental risk, employee injury and illness, property damage and third-party liability.

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

b Financial risk management - continued

Enterprise risk management - continued

Insurance/underwriting Risk

Our activities involve various range of risk arising from the business itself. This manifest from underwriting, re-insurance, claims management, reserve development risk, premium default, product design and pricing risk. Our company has a pragmatic approach in identifying, assessing and mitigating risk of such approaches as stated above.

c. Capital Management

The main objectives of the Company when managing capital are:

To ensure that the Minimum Capital Requirement of N3 billion as required by the Insurance Act CAP I17, LFN 2004, is maintained at all times.

This is a risk based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, outstanding claims, unearned premium reserve and assets above a certain concentration limit.

To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and;

To provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Insurance Act CAP I17, LFN 2004 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e. in respect of outstanding claims liability risk, unearned premium liability risk, investment risk, catastrophe risk and reinsurance ceded.

The Company is also subject to a solvency requirement under the Insurance Act CAP I17, LFN 2004 and is required to maintain its solvency at the minimum capital required at all times. Solvency margin is the excess of admissible assets in Nigeria over admissible liabilities in Nigeria and shall not be less than the minimum paid-up capital or 15% of the gross premium income less reinsurance premiums paid out during the year, whichever is higher in accordance with section 24 of Insurance Act CAP I17 LFN, 2004.

The Company's capital requirement ratio and Solvency margin exceed the requirement of the Insurance Act CAP I17, LFN 2004.

d Finance Act 2021 - Part IX - Insurance Act

The Federal Government of Nigeria, by Federal Republic of Nigeria official Gazzete, dated 18 January 2022 amended the finance Act, 2021. The Finance Act 2021 (Part ix-Insurance Act) in sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid up share capital. The Sections of the Act amended the Insurance Act by substituting the words " paid up share capital" with words " Capital requirement" and wherever they appear in Insurance Act 2003. The word " Capital requirement" was introduced and inserted in Section 102 of the Insurance Act. By the provision of Section 35 " Capital Requirement" means-

Notes to the financial statements - continued

Finance Act 2021 - Part IX - Insurance Act - continued

(a) In the case of existing company –
(i) the excess of admissible assets over liabilities, less the amount of own shares held by the company,
(ii) subordinated liabilities subject approval by the Commission, and
(iii) any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as :
Share Capital, Share Premium, Retained Earnings, Contingency Reserves and other admissive assets subject to the approval of the Commission
(b) In the case of a new company-
(i) Government Bonds and Treasury bills,
(ii) Cash and Bank balances, and
(iii) Cash and cash equivalents

	31 December	
	2023	2022
	₦'000	₦'000
Share capital	6,626,281	6,626,281
Share premium	36,623	36,623
Retained earnings	1,121,661	257,526
Statutory contingency reserve	3,503,652	3,057,336
	11,288,217	9,977,766
Less the amount of own shares held (Treasury Shares)	-	-
	11,288,217	9,977,766
Subordinated liabilities	-	-
Any other financial instruments as prescribed by the commission	-	-
	11,288,217	9,977,766

e Capital Adequacy Test

Based on the capital adequacy calculation below, Prestige Assurance Plc has a surplus of N7.296 billion.

	31 December	
	2023	2022
	₦'000	₦'000
Shareholders' fund as per Statement of Financial Position	15,949,825	13,124,082
Less:		
Intangible assets	(60,033)	(37,060)
Deferred tax liabilities	(624,772)	(469,929)
	(684,805)	(506,989)
Capital base	15,265,020	12,617,093

Notes to the financial statements - continued

43 Management of insurance and financial risk - continued

c. Capital Management - continued

e Capital Adequacy Test-continued

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Company capital base is above the minimum capital requirement of N3 billion (2022: N3 billion) specified by NAICOM.

Determination of Solvency Margin	**2023**	**2022**
	₦'000	**₦'000**
Cash and cash equivalents	2,853,175	3,227,420
Financial assets		
- Fair value through profit or loss	255,996	213,594
- Equity instruments at fair value through other comprehensive income	1,029,355	750,113
- Debt instruments at amortised cost	7,418,865	3,694,985
Reinsurance assets*	7,125,610	6,100,284
Deferred acquisition cost*	-	498,764
Trade receivables	240,047	125,063
Finance lease receivables	383,424	375,057
Investment properties	677,803	670,726
Land & building	1,000,000	1,000,000
Intangible assets	60,033	37,060
Property, plant & equipment (excluding land & building)	215,041	174,820
Statutory deposit	300,000	300,000
Admissable assets	21,559,350	17,167,886
Liabilities		
Insurance contract liabilities *	10,293,551	7,501,132
Other reinsurance contract liabilities	55,198	-
Trade payables*	62,205	422,683
Provisions and other liabilities	465,037	279,557
Retirement benefit obligations	296,260	195,839
Current income tax payable	90,282	121,638
Admissible liabilities	11,262,533	8,520,849
Solvency margin	10,296,817	8,647,037
Minimum share capital	3,000,000	3,000,000
Surplus in solvency margin	7,296,817	5,647,037

The Company's capital requirement ratio and Solvency margin is above the requirements of the Insurance Act CAP I17, LFN 2004.

* The following items have been maintained in line with the 2022 signed solvency certificate.

44 **Transition disclosures**

	Statement of Financial Position	IFRS 4 **31 December 2021 ₦'000**	Derecognition	Remeasurement	IFRS 17 **31 December 2021 ₦'000**
	Assets				
	Cash and cash equivalents	4,311,842			4,311,842
	Financial assets:				-
	- Fair value through profit or loss	223,298			223,298
	Equity instruments at FVOCI	2,458,312			2,458,312
	Debt instruments at amortised cost	3,366,929			3,366,929
	Trade receivables	28,169			28,169
	Prepayments and other receivables	169,705			169,705
a	Reinsurance contract assets	5,871,208	-	246,136	6,117,344
b	Deferred acquisition costs	355,125	(355,125)	-	-
	Finance lease receivables	428,034			428,034
	Investment property	2,587,084			2,587,084
	Intangible assets	23,283			23,283
	Property, plant, equipment and right-of-use assets	1,456,389			1,456,389
	Statutory deposit	300,000			300,000
	Total assets	21,579,378	(355,125)	246,136	21,470,389
	Liabilities				
c	Insurance contract liabilities	7,088,713	-	202,964	7,291,677
d	Trade payables	262,461	(262,143)	-	318
	Other liabilities	482,795			482,795
	Retirement benefits obligation	207,102			207,102
	Current income tax payable	88,504			88,504
	Deferred tax liabilities	454,071			454,071
	Total liabilities	8,583,646	(262,143)	202,964	8,524,467
	Equity				
	Share capital	6,626,281			6,626,281
	Share premium	36,623			36,623
e	Retained earnings	858,102	(92,982)	43,172	808,292
	Statutory contingency reserve	2,684,021			2,684,021
	Gratuity valuation reserve	14,973			14,973
	Fair value reserve	2,038,166			2,038,166
	Property revaluation reserve	737,566			737,566
	Total equity	12,995,732	(92,982)	43,172	12,945,922
	Total liabilities and equity	21,579,378	(355,125)	246,136	21,470,389

Disclosures

A This journal relates to movement in asset for remaining coverage(AFRC) and amount recoverable on incured claim(AIC) as a result of adoption of IFRS 17. The journal is a debit to reinsurance contract asset and a credit to retained earnings.

B This journal relates to derecognition of deferred acquisition cost as a result of adoption of IFRS 17. The journal is a debit to revenue reserve and a credit to deferred acquisition cost.

C This journal relates to difference as a result of adoption of IFRS 17. The changes arised out of UPR and outstanding claim reserves , which is now liability for remaining coverage (LFRC) and Liability for incurred claims (LIC) in line with IFRS 17. The net impact of the journal was a debit to retained earnings and a credit to the insurance contract liabilities.

D This journal relates to derecognition of unexpired unearned commission receivables. The journal was a debit to trade payables and a credit to retained earnings.

E This is the net impact of all journals derecognized to the retained earnings.

44 Transition disclosures

Statement of Financial position

Translation of statement of financial position as at 31st December, 2022 from IFRS 4 to IFRS 17

Assets	Notes	IFRS-4 N'000	Derecognition N'000	Remeasurement N'000	Additional Profit N'000	IFRS-17 N'000
Cash and cash equivalents		3,427,637				3,427,637
Financial assets						-
- At fair value through profit or loss		213,594				213,594
- At fair value through other comprehensive income		2,799,278				2,799,278
- At amortised cost		3,694,985				3,694,985
Trade receivables		125,063				125,063
Other receivables and prepayments		149,343				149,343
Reinsurance contract assets	**A,B**	6,392,586	(46,353)	375,243		6,721,476
Deferred acquisition costs	**C**	498,764	(498,764)			-
Finance lease receivables		398,233				398,233
Investment property		2,682,902				2,682,902
Intangible asset		37,060				37,060
Property, plant ,equipment and right-of-use		1,489,476				1,489,476
Statutory deposit		300,000				300,000
Total Assets		**22,208,921**	**(545,117)**	**375,243**	**-**	**22,039,047**

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	IFRS-4 N'000	Derecognition N'000	Remeasurement N'000	Additional Profit N'000	IFRS-17 N'000
Liabilities						
Insurance contract liabilities	**D,E**	7,501,132		305,153		7,806,285
Reinsurance contract liabilities	**H**	-		25,304		25,304
Trade payables	**G**	422,683	(387,513)	(25,304)		9,866
Other payables		286,104				286,104
Retirement benefit obligations		195,839				195,839
Current income tax liabilities		121,638		-		121,638
Deferred tax liabilities		469,929				469,929
		8,997,325	(387,513)	305,153	-	8,914,965
Share capital		6,626,281				6,626,281
Share premium		36,623				36,623
Retained earnings	**B,C,D,I,J,K**	345,041	(157,604)	(373,128)	443,217	257,526
Statutory contingency reserve		3,057,335				3,057,335
Gratuity valuation reserve		29,618				29,618
Fair value reserve		2,379,132				2,379,132
Property revaluation reserve		737,566				737,566
Total Equity		13,211,596	(157,604)	(373,128)	443,217	13,124,081
Total Equity & Liabilities		22,208,921	(545,117)	(67,975)	443,217	22,039,046

Statement of profit and loss and other comprehensive income restatement

	Note	IFRS 4	Derecognition	Remeasurement	IFRS 17 December
		N'000	N'000	N'000	N'000
Gross premiums written		12,443,818			-
Increase in unearned premium		(843,827)			-
Gross premium income		**11,599,991**	(11,599,991)		
Insurance revenue		-		94,828	11,505,162
Insurance Service expense	F,J	-		399,916	(11,548,060)
Insurance service result before reinsurance contracts held		-			**(42,897)**
Reinsurance expenses		(6,201,409)			
Net income or expense from reinsurance contracts held	A,I,K			(678,310)	665,180
Insurance service result					622,282
Net premium income		**5,398,582**	(5,398,582)		
Fees and commission income		1,355,225	(1,355,225)		
Net underwriting income		**6,753,807**			
Claims expenses		(3,532,481)	3,532,481		
Acquisition expenses		(2,093,508)	2,093,508		
Underwriting expenses		(964,630)	964,630		
Underwriting profit		**163,188**		-	
Net Investment Income					
Interest income calculated using the effective interest rate		773,546			773,546
Other investment income		324,656			324,656

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ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of profit and loss and other comprehensive income restatement-continued

	Note	IFRS 4	Derecognition	Remeasurement	IFRS 17 December
		N'000	N'000	N'000	N'000
Net Fair value loss on financial assets at FVTPL		(9,704)			(9,704)
Net fair value gain on investment property		95,818			95,818
Other operating income		23,586			-
Management expenses		(1,229,490)	(259,651)		-
Credit loss reversal on financial assets		3,248			3,248
Finance cost		(1,734)			(1,734)
Result from operating activities (IFRS 4)		143,114			
IFRS 17 Financial insurance results					1,185,830
Other operating income					23,586
Other expenses					(1,245,367)
Finance cost					
Profit before taxation		**143,114**			1,209,416
Income tax expense		(84,073)	-		(84,073)
Profit after taxation		**59,041**			**502,258**
Other comprehensive income:					
Items within OCI that will not be reclassified to profit or loss subsequent periods net of tax:					
Revaluation gain on equity instruments at fair value through other comprehensive income		340,966			340,966
Re-measurement gain ondefined benefit plan (net of tax)		14,645			14,645
Total other comprehensive income for the year, net of tax		355,611			355,611
Total comprehensive income for the year		**414,652**			**857,869**
Diiference in profit recognized in equity		443,217			

Disclosures

A	This journal is a remeasurement journal as it relates to introduction of risk adjustment to reinsurance contract asset as result of IFRS 17 adoption. The journal was a debit to reinsurance contract assets and a credit to net income/expense held from reinsurance contracts.
B	This journal is a derecognition journal that accounts for derecognition of future cashflows of prepaid reinsurance upon adoption of iFRS 17. This journal was a debit to retained earnings and a credit to reinsurance contract assets.
C	This is a derecognition journal. This account for derecognition of deferred acquisition cost to retained earnings as a result of IFRS 17 adoption.
D	This is a derecognition journal. This account for derecognition of future cash flows of UPR upon adoption of IFRS 17 now tagged Liabilities for remaining coverage.
E	This is a remeasurement journal to cater for risk adjustment to Liability for incurred claims on adoption of IFRS 17.
F	This is a remeasurement journal to cater for risk adjustment to Liability for incurred claims on adoption of IFRS 17.
H	This relates to reclassification of reinsurance contract given to other parties which fall within the insurance contract boundary.
I	This is a remeasurement journal to account for movement in reinsurance debtors under IFRS 4 now reflected under IFRS 17.
J	This adjustment relates to finance income on changes in risk adjustment related to LFRC and also actuarial adjustment made on outstanding claims in respect of adoption of IFRS 17.
K	Being change in expired earned comm. Released into reinsurance contract assets

PRESTIGE ASSURANCE PLC
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2023

PRESTIGE ASSURANCE PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

VALUE ADDED STATEMENT

for the year ended 31 December 2023

	2023		2022	
	₦'000		**₦'000**	**%**
Gross premium income	14,877,200		12,443,818	
Other income - Local	834,650		23,586	
	15,711,850		12,467,404	
Reinsurance,claims,commission and services - local	(13,444,028)		(11,142,673)	
	2,267,822	100	1,324,731	100
Value added				
Applied as follows:				
To pay employees: Salaries and other employees benefits	313,626	14	230,246	17
To pay government: Taxation	90,562	4	61,939	4.7
Retained for replacement of assets and expansion of business:				
Deferred taxation	2,831	0	22,134	2
Depreciation and amortization	104,035	5	134,839	10
Statutory contingency reserve	446,316	20	373,315	28
Result for the year	1,310,451	58	502,258	38
	2,267,822	100	1,324,731	100
Value added				

Value-added represents the additional wealth the Company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth among the employees and those that are retained for the future creation of more wealth.

PRESTIGE ASSURANCE PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

FIVE-YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION	<--31 DECEMBER ---------------------------------->				
		Restated	Restated		
AS AT	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and cash equivalents	2,859,462	3,427,637	4,311,842	1,369,570	798,109
Financial assets (investments)	12,215,033	6,707,857	6,048,539	5,367,139	4,839,703
Trade receivables	240,047	125,063	28,169	99,178	21,616
Prepayments and other receivables	177,298	149,343	169,705	196,017	275,723
Reinsurance assets	7,408,454	6,721,476	6,117,344	3,198,490	2,371,252
Deferred acquisition costs	-	-	-	258,866	224,636
Intangible assets	60,033	37,060	23,283	28,181	33,978
Finance lease receivables	383,424	398,233	428,034	378,983	204,184
Investment property	2,711,212	2,682,902	2,587,084	2,547,886	2,591,439
Property, plant, equipment & right of use assets	1,496,376	1,489,476	1,456,389	1,439,905	1,518,805
Statutory deposit	300,000	300,000	300,000	300,000	300,000
Deposit in escrow account with CB	-	-		3,320,710	
Total assets	**27,851,339**	**22,039,047**	**21,470,389**	**18,504,925**	**13,179,445**
LIABILITIES					
Insurance contract liabilities	10,293,551	7,806,285	7,291,677	4,836,743	3,521,794
reinsurance contract liabilities	55,198	25,304	-	-	-
Trade payables	62,205	9,866	318	270,739	266,537
Other Liabilities	479,247	286,104	482,795	266,685	176,630
Borrowings					10,029
Retirement benefit obligations	296,260	195,839	207,102	195,543	210,744
Current income tax payable	90,282	121,638	88,504	78,281	87,530
Deferred tax liabilities	624,772	469,929	454,071	453,539	460,446
Total liabilities	**11,901,514**	**8,914,965**	**8,524,467**	**6,101,530**	**4,733,710**
EQUITY					
Share capital	6,626,281	6,626,281	6,626,281	6,626,281	2,691,275
Share premium	36,623	36,623	36,623	36,623	327,548
Statutory contingency reserve	1,121,661	3,057,336	2,684,021	2,405,800	2,195,538
Retained earnings	3,503,652	257,526	808,292	752,401	746,727
Gratuity valuation reserve -	21,895	29,618	14,973	7,502	(8,567)
Fair value/Available-for-sale reserve	3,945,937	2,379,132	2,038,166	1,810,269	1,701,742
Property revaluation reserve	737,566	737,566	737,566	764,519	791,472
Total equity	**15,949,825**	**13,124,082**	**12,945,922**	**12,403,395**	**8,445,735**
Total liabilities and equity	**27,851,339**	**22,039,047**	**21,470,390**	**18,504,925**	**13,179,445**

Five year financial summary - continued

STATEMENT OF PROFIT OR LOSS AND OTHER FOR THE YEAR ENDED	31 DECEMBER				
		Restated			
	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Gross premium written	-	-	9,274,005	7,008,747	6,128,662
Insurance service result	618,599	622,282	-	-	-
Profit before income tax expense	1,403,844	586,331	732,226	685,909	550,300
Income tax expense	(17,180)	(29,552)	(43,942)	(21,395)	(77,777)
Profit for the year	1,386,664	556,779	688,284	664,514	472,523
Appropriations:					
Transfer to statutory contingency reserve	446,316	373,315	278,220	210,262	183,860
Transfer to retained earnings	940,348	183,464	410,064	468,045	288,663
Basic earnings per ordinary share (kobo)	9.89	3.79	5.19	9.2	6.8
Diluted earnings per ordinary share (kobo)	9.89	3.79	5.19	9.2	6.8
Net assets per share (kobo)	120	99	98	93	98

Note: Earnings and dividend per share were computed based on the profit for the year and on the number of issued and fully paid ordinary shares at the end of the year. Net assets per share were computed on the number of issued and fully paid ordinary shares at the end of the respective years.