Great Nigeria Insurance Plc

Consolidated and Separate Annual Report
31 December 2022

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Corporation Information

Certificate of incorporation number:	RC 2107
NAICOM license number:	RIC 014
FRC Reg. no.	FRC/2012/0000000000515
Tax Identification Number:	01738239-0001

Directors

Mr. Bade Aluko	Chairman
Mrs. Cecilia O. Osipitan	Managing Director/CEO
Mrs. Roselyn Ulaeto	Executive Director
Archbishop Felix Alaba Job	Non-Executive Director
Mr. Akintola O. Ajayi	Non-Executive Director
Mr. Shamusideen Kareem	Non-Executive Director

Company secretary:	First Almond Attorneys Marina View Plaza 4th Floor, 60 Marina Lagos
Corporate head office :	Great Nigeria Insurance PLC GNI Complex 8, Omo-Osagie Street Off Awolowo Road Ikoyi, Lagos Telephone: +234 01 342-9161, 081- 424-78829 Email: info@greatnigeriaplc.com Website: www.greatnigeriaplc.com
Independent Auditors:	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Str. Victoria Island Telephone: +234 1 2718955 Website: www.kpmg.com/ng
Registrars:	Greenwich Registrars & Data Solutions 274, Murtala Muhammed Way Yaba PMB 12717, Lagos Telephone: +234 01 2917747 Website: www.gtlregistrars.com

Bankers	Wema Bank Plc First Bank Nigeria Limited Polaris Bank Plc Sterling Bank Plc Ecobank Limited Zenith Bank Plc United Bank for Africa Plc First City Monument Bank Limited Access Bank Plc Union Bank Plc Unity Bank Plc Heritage Bank Limited Barclays Bank Group, London Keystone Bank Limited Parallex Bank Limited
Re-insurers	Africa Reinsurance Corporation Continental Reinsurance Plc Munich Reinsurance Company of Africa Limited Nigeria Reinsurance Company WAICA Reinsurance Plc
Consulting Actuaries	EY Nigeria UBA House, 10th floor, 57 Marina, Lagos Nigeria Telephone: +234 1 6314 543, Fax: +234 1 4630 481 FRC/2012/00000000339
Estate surveyor and valuer:	Ubosi Eleh & Co. FRC/2014/NIESV/0000000/3997

Directors' Report
For the year ended 31 December 2022

The Directors have pleasure in presenting their Annual Report on the affairs of Great Nigeria Insurance Plc ("the Company" or "GNI Plc") and the subsidiaries (the Group) together with the audited consolidated and separate financial statements and the auditor's report for the year ended 31 December 2022.

Legal form and principal activity
The Company was incorporated in Nigeria as a Private limited Liability Company on 28th February 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, to transact insurance business as a composite insurer, until September 2005 when the Global Fleet Group bought the majority shares. With the divestment of the shares held by the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Assets Management Limited in September 2006, it became a member of the Wema Bank Plc Group. In line with the Central Bank of Nigeria (CBN) guidelines to banks in Nigeria, Wema Bank Plc divested from the Company effective November 2013 and sold its controlling shares to a consortium of investors.

On 4 July 2013, the Company acquired 97.5% ordinary shares of GNI Healthcare Limited formally known as GAMMA Health Limited. GNI Healthcare Limited was incorporated as a Private Limited Liability Company on 24 July, 2012, and its principal activity involves the provision of basic and supplemental health maintenance and treatment services. In 2017 GNI Healthcare Limited raised additional capital through private placement, the outcome of which reduced the shareholding proportion of GNI Plc to 79.43%. In 2020, there was an additional investment through purchase of unalloted shares in GNI Healthcare bringing GNI Plc share of investment to 82.91%.

A Subsidiary of GNI Plc was also Licensed in 2018 known as GNI Capital Management Limited and started pre-incorporational activities in 2020. The pre incorporation activities includes management of all Groups Investment properties. GNI Plc's investment in GNI Capital Management Limited is recognised as a liability in deposit for shares of the subsidiary.

The financial results of the subsidiaries have been consolidated in these financial statements from the date that the Company started exercising control over the subsidiary.

Operating results:
The highlights of the Group's and Company operating results for the year ended 31 December 2022 were as follows:

	Group 2022 N' 000	Group 2021 N' 000	Company 2022 N' 000	Company 2021 N' 000
Gross premium written	10,405,380	8,605,957	10,226,750	8,368,607
Profit before minimium taxation	808,461	1,279,814	803,466	1,278,136
Minimium tax expense	(11,827)	(5,399)	(10,784)	(4,719)
Profit before taxation	796,633	1,274,415	792,683	1,273,418
Income tax expense	(57,828)	(205,102)	(64,006)	(204,250)
Profit after taxation	738,805	1,069,313	728,677	1,069,168
Transfer to statutory contingency reserve	(144,666)	(170,290)	(144,666)	(170,290)
Transfer to/ (from) retained losses	594,139	899,023	584,010	898,878
Shareholders' funds	7,285,560	6,412,087	7,249,734	6,388,338
Basic Profit per share (kobo)	19	28	19	28

Directors' Report
For the year ended 31 December 2022

Directors and their interests:
The directors who served during the year were as follows:

Name	**Designation**
Mr. Bade Aluko	Chairman
Mrs. Cecilia O. Osipitan	Managing Director/CEO
Mrs. Roselyn Ulaeto	Executive Director
Arch Bishop Felix Alaba Job	Non-Executive Director
Mr. Akin Ajayi	Non-Executive Director
Mr. Shamusideen Kareem	Non-Executive Director

According to the register of members as at 31 December 2022, the following shareholders held 5% or more of the issued share capital of the Company during the year:

	31 December 2022		**31 December 2021**	
Shareholders	**No of shares**	**% shareholding**	**No of shares**	**% shareholding**
Insurance Resourcery and Consultancy Limited	2,870,614,035	75	2,870,614,035	75
Odu'a Investment Company Limited	348,138,124	9	348,138,124	9
Others	608,733,221	16	608,733,221	16
Total	**3,827,485,380**	**100**	**3,827,485,380**	**100**

2022

Share range	**No of shareholders**	**Percentage of shareholders**	**No of holdings**	**Percentage of holdings**
1-1,000	1,886	33.45%	1,562,078	0.04%
1,001-5,000	2,130	37.77%	6,449,415	0.17%
5,001-10,000	640	11.35%	5,954,636	0.16%
10,001-50,000	534	9.47%	15,242,158	0.40%
50,001-100,000	143	2.54%	12,815,538	0.33%
100,001-500,000	195	3.46%	53,270,393	1.39%
500,001-1,000,000	48	0.85%	43,422,856	1.13%
1,000,001-5,000,000	40	0.71%	104,677,430	2.73%
5,000,001-10,000,000	10	0.18%	78,263,102	2.04%
10,000,001-50,000,000	9	0.16%	221,265,680	5.78%
50,000,001-100,000,000	2	0.04%	165,809,935	4.33%
100,000,001-and above	2	0.04%	3,118,752,159	81.48%
Total	5,639	100%	3,827,485,380	100%

Directors' Report
For the year ended 31 December 2022

2021

Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings
1-1,000	1,886	33.45%	1,562,078	0.04%
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100,000,001-and above	2	0.04%	3,118,752,159	81.48%
Total	5,639	100%	3,827,485,380	100%

Acquisition of own shares:
The Company did not acquire any of its own shares during the year ended 31 December 2022 (2021: Nil).

Directors' interests in contracts:
In accordance with section 303 (4) of the Companies and Allied Matters Act of Nigeria 2020, none of the Directors have notified the Company of any declarable interest in contracts deliberated by the Company during the year.

Property, plant and equipment:
Information relating to changes in property, plant and equipment is given in Note 15 to the financial statements.

Donations and charitable gifts:
The Group made donations of N597,712 (2021: N3m donation) to non-political and charitable organisations as donations during the year.

	Group Dec 2022	Group Dec 2021	Company Dec 2022	Company Dec 2021
	N	N	N	N
Investiture of Lady Magaret Nkechi as present and sponsorship of even	100,000	250,000	100,000	250,000
Donation to Non-Governmental Organisations	497,712	50,000	497,712	50,000
	597,712	**300,000**	**597,712**	**300,000**

Employment of disabled persons:
The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.
In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Group has no persons on its staff list with physical disability.

Health, safety and welfare of employees:
The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike.
Employees are adequately insured against occupational and other hazards.

Directors' Report
For the year ended 31 December 2022

Employee involvement and training:
The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well being. To this end, the Group provides opportunities where employees deliberate on issues affecting the Group and employee interests, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsored its employees for various training courses both locally and overseas in the year under review.

Securities Trading Policy :
The Company has a Securities Trading Policy applicable to all employees and Directors in line with Rule 17.15 of the Disclosure of Dealings in Issuers' Shares Rulebook of the Exchange. Within this reporting period, no violation of the Policy occurred.

Complaints Management Policy :
The Company has a Complaint Management Policy Framework in compliance with Securities and Exchange Commission rule and same is available on the Company's website.

Events after year end:
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023. The full Implementation of IFRS 17 has commenced with effective date January 1, 2023.
Financial Reporting Council (FRC) of Nigeria has provided guidance to preparers of financial statements on specific issues such as events after the reporting period, going concern, effects on interim financial reporting, changes in expected credit losses for financial assets amongst others.
Even though the effects of COVID-19 are gradually phasing out and the country is on the pathway to recovery, it has become imperative for organisations to pay attention to the key financial reporting implications of COVID-19 as they remain considerations in the light of any future disruptions to business resulting in a similar economic impact.

However, path to recovery from the COVID-19 pandemic has a positive impact on the financial statements of Great Nigeria Insurance Plc as at 31 December 2022

Auditors:
In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria (CAMA), 2020 and having satisfied the relevant corporate governance requirements on their tenure in office, Messrs KPMG Professional Services have been appointed and have shown willingness to continue in office as auditors, the auditor would be re-appointed at the next annual general meeting of the company.

BY ORDER OF THE BOARD

Mrs Olajumoke Bakare
First Almond Attorneys
FRC/2013/NBA/00000001439
Company Secretary
Marina View Plaza
4th Floor, 60 Marina
Lagos

28th April 2023

Corporate Governance Report

The Company

The company was incorporated in Nigeria as a Private Limited Liability Company on February 28, 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, until September, 2005 when the Global Fleet Group bought the majority shares. With the divestment of the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Asset Management Limited in September, 2006 it became a member of Wema Bank Plc Group. Wema Asset Management Limited divested from the company in 2013 through a Management Buy Out.

The principal business activities of the company include the provision of risk underwriting and related financial services in life and non-life insurance services to both corporate and individual customers, and also to Government and its Ministries, Departments and Agencies (MDAs).

Vision

"To be the insurance company of choice, for keeping promises to stakeholders"

Mission

"Giving you peace of mind by keeping our promises"

Business Philosophy

The company's business philosophy includes:

- Professionalism
- Passion for Customers
- Team Spirit
- Precision
- Empathy
- Innovation

Background of the assignment

In February 2009, the National Insurance Commission (NAICOM) and the Securities & Exchange Commission in January 2011 respectively issued a code of Good Corporate Governance for the Insurance Industry in Nigeria ("the NAICOM Code") and all public companies in Nigeria ("the SEC Code"), mandating them to perform an annual review/appraisal of their Boards of Directors by an external consultants to ensure excellent performance. In its commitment to good corporate governance best practices and the NAICOM and SEC Codes, the Board of Directors of GNI ('the Board') commissioned **First Almond Attoneys** to carry out Board Appraisal for the financial year ended December 31, 2022.

Our assignment of evaluating the performance of the Board of Directors of the Company was based on Global Best Practices and in accordance with the provisions of the Codes of Corporate Governance. The assignment also involves evaluation of the structure and composition, responsibilities, processes and relationships of the Board of Directors for the financial year ended December 31, 2022 as well as compliance with regulatory requirements. Our report on the assignment is based on the spot assessment, examination, analysis and review of relevant documents. The report is also based on the quantitative analysis of self assessment questionnaires and interviews with the Directors and key management staff.

The Board of Directors

The Board of Directors is responsible to the shareholders for creating and delivering sustainable shareholders' value through its oversight functions. The Board has a formal charter as required, which covers policies regarding Board memberships and composition, Board procedures, conduct of directors, risk management, remuneration, Board evaluation and induction. The Board of Directors at the time of this report is made up of six (6) members comprising five (4) Non-Executive and two (2) Executive Directors, including the Managing Director/CEO. This is in line with international best practice, which stipulates the number of non-executive directors should be more than that of executive directors. The Chairman of the Board who is a non executive Director and Managing Director/CEO are separate individuals and the Chairman has no executive responsibilities in the Company in compliance with the Codes of Corporate Governance.

The Chairman leads the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Non-Executive Directors have been operating in such a way that their executive independence has not been impaired. Non-executive Directors based on their breadth and depth of knowledge and experience are able to challenge, monitor and approve the strategic policies recommended by management.

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer (CEO).

The Chairman acts as the communicator for Board decisions, where appropriate. The concept of separation of the role of the Chairman from that of the CEO implies that the Chairman should be independent from management and free from any interest and any business or other relationship that could interfere with the Chairman's independent judgement other than interests resulting from Company shareholdings and remuneration.

The Managing Director/CEO, ably assisted by the Executive Directors and other top management constitute the Executive Management Committee. The Committee is saddled with the responsibilities of the day to day management of the affairs of the Company in accordance with agreed laid down guidelines. The Executive Management Committee is responsible and accountable to the Board of Directors for the implementation of the resolutions of the Board including but not limited to the approved strategies and policies.

The Managing Director/CEO is responsible for leading the development and execution of the Company's long-term strategy with a view to creating sustainable shareholder value. The mandate of the CEO is to manage the day-to-day operations of the company and ensure that operations are consistent with the policies developed by the Board of Directors and are carried out effectively. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of the management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

The current composition of the Board of Directors is as follows:

Directors	**Designation**
Bade Aluko	Chairman
Felix Alaba Job	Non-Executive Director
Akintola O. Ajayi	Non-Executive Director
Shamusideen Kareem	Non-Executive Director
Cecilia Osipitan	Managing Director/CEO
Roselyn Ulaeto	Executive Director

Corporate Governance Report

The Board committees were reconstituted during the year and the names of the Directors and their committee membership are presented below:

Name of Director	Role	Committees			
		ERM & Governance	Finance, Investment & General Purpose	Board Audit & Compliance	Statutory Audit
Bade Aluko	Chairman	Not a Member	Not a Member	Not a Member	Not a Member
Felix Alaba Job	Non-Executive Director	Chairman	Members	Members	Not a Member
Shamusideen Kareem	Non-Executive Director	Not a Member	Members	Chairman	Members
Akintola O. Ajayi	Non-Executive Director	Members	Chairman	Members	Members
Cecilia Osipitan	Managing Director	Not a Member	Members	Not a Member	Not a Member
Roselyn Ulaeto	Executive Director	Not a Member	Members	Not a Member	Not a Member

Key

- Members
- Chairman
- Not a Member

Board of Directors Meetings' Attendance

Meetings held	1	2	3	4	5
Names	**25-Feb-22**	**28-Apr-22**	**29-Jul-22**	**27-Oct-22**	**20-Dec-22**
Bade Aluko	Y	Y	Y	Y	Y
Felix Alaba Job	Y	Y	Y	Y	Y
Cecilia Osipitan	Y	Y	X	X	Y
Roselyn Ulaeto	Y	Y	Y	Y	Y
Akintola Olusola Ajayi	Y	Y	Y	Y	Y
Shamsideen Kareem	Y	Y	Y	Y	Y

Key:	**Y-Present**	**X - Absent**	**N/A-Not a Director**

BOARD COMMITTEES

FINANCE, INVESTMENT & GENERAL PURPOSE COMMITTEE

This Committee formerly Finance & Investment Committee was re-named in the later part of the year following NAICOM's amendment of its Code of Governance wherein General Purpose was merged with the Committee.

The committee's responsibilities as stated in the Charter amongst others are:

- Review policies and strategies for financing of the Company's capital, including issuance and management of debt, common and preferred stock, and such other capital instruments as the Company shall consider or utilize
- Develop and recommend to the Board, polices and plans for employees' selection, recruitment, evaluation and succession.
- Develop and oversee policies and program for talent acquisition, deployment and development.
- Develop an investment strategy for the Company and each subsidiary.
- Recommend to the Board salary and compensation levels including fringe benefits for all levels of staff, review the company's operating performance relative to the bonus and incentive programmes and assess the effectiveness of the Company's Remuneration Policy, including remuneration structure, retention and termination policies for staff.
- Provide oversight of the Company's financial condition, including their assets, capital, surplus and liabilities, to ensure that the Company's assets, capital, surplus and liabilities are within the limits prescribed by the Board and the applicable law.
- Review policies and strategies for investing the Company's assets for investment return, including the purchase, sale and management of Bonds, Mortgages, investments in real estate, and such other investment instruments as the Company shall consider or utilize.
- Review and make recommendations to the Board on the structure of remuneration paid by the Company to third parties.

- Review and analyse possible investments opportunities for the Company and periodically to recommend potentially advantageous investments to the Board for approval in accordance with applicable law
- Maintain a full record of each investment recommended to the Board and the rationale behind such recommendation, and to provide such record to the Board as applicable, for inclusion in the minutes and proceedings of the Board and also act and advise the Board on all matters of estate acquisition, development or disposal and the efficient utilisation of estate and
- Have oversight of the Company's major external operations including the administration of the Company's wholly-owned companies and the governance oversight of the Company's participation in associated major ventures.
- Consult with and support the Audit Committee with respect to the establishment of (a) procedures for receipt , retention and treatment of complaints regarding the Company's accounting , internal controls and auditing matters; and (b) procedures for the confidential , anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Committee Meetings' attendance

Meetings held					
	23-Feb-2022	25-Apr-22	25-Jul-22	24-Oct-22	19-Dec-22
Akintola O. Ajayi	Y	Y	Y	Y	Y
Arch. Felix Alaba Job	Y	Y	Y	Y	Y
Shamusideen Kareem	Y	Y	Y	Y	Y
Cecilia O. Osipitan	X	Y	Y	Y	Y
Roselyn Ulaeto	Y	Y	Y	Y	Y

Key:	**Y-Present**	**X - Absent**	**N/A: Not Applicable**

ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE

This Committee formerly Risk Management & Compliance was re-named in the later part of the year following NAICOM's amendment of its Code of Governance wherein the Board Governance Committee was merged with the Committee.
The Committee met four (4) times during the year. The responsibilities of the Committee as provided in the committee charter are as follows:

- Review the adequacy and effectiveness of the Company's risk management and controls.
- Oversight of Management's process for the identification of significant risks across the company and adequacy of prevention, detection and reporting mechanisms
- Review of the company's risk management system and internal control environment including the performance of the internal audit function.
- Oversee the company's risk policy, appetite and risk limits as approved by the Board.
- Undertake at least annually a thorough risk assessment covering all aspects of the Company's businesses.
- Review the adequacy of the size and composition of the Board to ensure the on-going effectiveness of the company's risks management framework.
- Evaluate and make recommendation to the Board concerning the nature and composition of the Board Committees, including designation of Committee chairs, Board Committees structure and operations.
- Identify individuals qualified to become directors consistent with membership criteria, shall coordinate and assist the Board in the recruitment of new directors and shall select or recommend to the Board candidates for election as directors,
- Recommend to the Board the allocation of Directors to each of the Board committees the committee shall recommend a particular director to the Board to fill such vacancy
- Review any proposed changes to the company's Memorandum and Articles of Association and other documents affecting the Company's corporate governance and shall make recommendation to the Board with respect to any such changes.
- Periodically assess the Company's governance
- Develop, review and recommend to the Board, as appropriate, other principles and policies relating to corporate governance; and monitor compliance with and the effectiveness of such principles and policies, as appropriate.
- Evaluate and make recommendation to the Board concerning the process for distribution of information to the Board and its committees including the content and timing of delivery of materials relating to meeting of the Board and Board Committees as well as general information about the Company and its operations.

Committee Meetings' attendance

Meetings held		1	2	3	4
Names		23-Feb-22	26-Apr-22	26-Jul-22	25 Oct 2022
Felix Alaba Job		Y	Y	Y	Y
Akintola O. Ajayi		Y	Y	Y	Y
Samsideen Kareem		Y	Y	Y	Y

Key:	Y-Present	X - Absent	N/A: Not Applicable

BOARD AUDIT & COMPLIANCE COMMITTEE

Following NAICOM's amendment of its Corporate Governance Code, this Committee was established.
The Committee met four (4) times during the year. The committee is vested with the following duties amongst others:

- Assist in the oversight of the integrity of the Company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditors and performance of the company's internal audit functions as well as that of external auditors
- Review and pre-approve both audit and non-audit services (if any) to be provided by the external auditors
- The Committee shall keep under review the effectiveness of the Company's financial reporting and the statements to be made in the annual report concerning internal control policies and procedures for the identification, assessment and
- Review with Management any significant changes to the audit plan, if any, and any serious disputes or difficulties with Management encountered during the audit, including Management's response.
- Ensure the development of comprehensive internal control framework for the Company, obtain assurance and report annually in the financial statements on the operating effectiveness of the Company's internal control framework.
- Discuss the internal auditor's review of quarterly financial statements.
- Discuss the annual audited financial statements and half yearly unaudited financial statements
- Review and discuss with Management and external auditor the Company's annual audited financial statements, forecast and financial information, and the external auditors' report thereon including disclosure made in Management 's discussion
- Review and discuss with Management and the internal auditors the Company's quarterly unaudited financial statements, related notes and financial information, including disclosures made in the Management's discussion and analysis
- Provide guidelines and standards for administering the acceptance of key operational, reputational, financial, market, technology and compliance risks.
- Review the Company's compliance with legal and regulatory requirements that may impact the company's risk profile.

Committee Meetings' attendance

Meetings held					
	22-Feb-2022	4/25/2022	7/25/2022	10/24/2022	
Shamsideen Kareem	Y	Y	Y	Y	
Felix Alaba Job	Y	Y	Y	Y	
Akin Ajayi	Y	Y	Y	Y	

Key:	Y-Present	X - Absent

STATUTORY AUDIT COMMITTEE

The Companies and Allied Matters Act requires the establishment of an Audit Committee on the Boards of Companies. There are three shareholders representative on the committee, Two Non-Executive Directors and One Independent director. The Committees' duties are stated as follows in accordance with CAMA:

- Assist in the oversight of the integrity of the Company's financial statements, compliance with legal and other regulatory
- The Committee shall keep under review the effectiveness of the Company's financial reporting and the statements to be
- Review of the terms of engagement and recommend the appointment or re-appointment and compensation of external
- Ensure the development of comprehensive internal control framework for the Company, obtain assurance and report annually in the financial statements on the operating effectiveness of the Company's internal control framework.
- Oversees management's process for identification of significant fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.

Committee Meetings' attendance

Meetings held					
Names	**23-Feb-22**	**26-Apr-22**	**26-Jul-22**	**25-Oct-22**	**19-Dec-22**
Christie O. Vincent	Y	Y	Y	Y	Y
Bisi Bakare	Y	Y	Y	Y	Y
Adio Olaoluwa Simeon	Y	Y	Y	Y	Y
Akintola O Ajayi	Y	Y	Y	Y	Y
Shamsideen Kareem	Y	Y	Y	Y	Y
Key:	**Y-Present**	**X - Absent**	**N/A-Not Applicable**		

The company continues to improve on its corporate governance best practices. The transparency and the commitment of the Board and Management are very encouraging. The establishment of the Internal Control and Compliance which is now separated from the Internal Audit will strengthen the risk management and ensure good corporate governance of the company. The Staff has also been exposed to both internal and external training programme for effective performance.

The Board should endeavour to appoint an Independent Non-Executive Director in compliance with the Codes and as recommended in the previous report. The late filing of returns to regulatory authorities with significant penalties continued to be a major challenge and the Board and Management should address it. The annual General Meeting which provides a unique opportunity to communicate with members and other stakeholders of the Company should be held as when due.

We have no doubt that the company will continue to perform well and sustain the continuing improvement in its corporate governance practices.

Mrs Olajumoke Bakare
FRC/2013/NBA/000000001439
First Almond Attorneys
28 April 2023

Report of the Audit Committee
For the year ended 31 December 2022

In accordance with the provisions of Section 404(4) of the Companies and Allied Matters 2020, the members of the Audit Committee of Great Nigeria Insurance Plc hereby report as follows:

- We have exercised our statutory functions under Section 404(4) of the Companies and Allied Matters Act of Nigeria 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2022 were satisfactory and reinforce the Company's internal control system.

  We are satisfied that the company has complied with the provisions of National Insurance Commission Circulars and Guidelines.

- We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to their recommendation for improvement and with the effectiveness of the Company's system of accounting and internal control.

SIGNED ON BEHALF OF THE COMMITTEE BY:

Mrs. Christie O. Vincent-Uwalaka
FRC/2013/ICAN/00000002666
28th April 2023

Members of the Audit Committee are:

1	Mrs. Christie O. Vincent-Uwalaka	Chairperson
2	Mr. Akintola O. Ajayi	Member
3	Mr. Shamusideen Kareem	Member
4	Mrs Bisi Bakare	Member
5	Mr Adio Oluwa Simeon	Member

Statement of Directors' Responsibilities
For the preparation and approval of the Consolidated and Separate Financial Statements

The Directors of Great Nigeria Insurance Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2022, and the results of its operations, statements of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, the Insurance Act CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and the IFRS; and
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company.

Going Concern:
The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022 were approved by the board of directors on 28 April 2023.

Mr. Bade Aluko
Chairman
FRC/2016/IODN/00000015579

Mrs. Cecilia O. Osipitan
Group Managing Director/CEO
FRC/2012/CIIN/00000000596

Statement of Corporate Responsibility for the Financial Statements for the year ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Financial Controller, hereby certify the consolidated and seperate financial statements of Great Nigeria Insurance Plc for the year ended 31 December 2022 as follows:

(a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2022.

(b) That the consolidated and seperate 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, in the light of the circumstances under which such statement was made.

(c) That the audited consolidated and seperate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2022.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company is made known to the officer by other officers of the companies, during the year end 31 December 2022.

(e) That we have evaluated the effectiveness of the Group and Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Group and Company's internal controls are effective as of that date

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group and Company's ability to record, process, summarise and report financial data, and have identified for the Group and Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Group and Company's internal control.

Mrs. Cecilia O. Osipitan
Group Managing Director/Chief Executive Officer
FRC/2012/CIIN/00000000596
4/28/2023

Adedayo Olukemi R.
Chief Financial Officer
FRC/2020/001/00000022333
4/28/2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Great Nigeria Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Great Nigeria Insurance Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with 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 consolidated and separate 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 judgment, were of most significance in our audit of the consolidated and separate 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, and we do not provide a separate opinion on these matters.

Valuation of Insurance Contract Liabilities
The Company has significant life and non-life insurance contract liabilities. The valuation of insurance contract liabilities involve high estimation uncertainties and significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit
Our audit procedures included the following:

- We evaluated the design and implementation of key controls instituted by the Group which includes management review of data used for the valuation of insurance contract liabilities.
- We agreed the underlying data used in actuarial valuations of insurance contract liabilities to source documentation.
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Group's external actuary for determining the insurance contract liabilities.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuary including assumptions on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate.

The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 3.21(accounting policy), note 4(a) (critical accounting estimates and judgments) and note 17 (insurance contract liabilities).

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibility and other national disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and 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 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 Group and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

i. 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.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Penalties

The Company did not pay any penalty in respect of contraventions of the requirements of the National Insurance Commission of Nigeria Guidelines and Circulars during the year ended 31 December 2022.

Akinyemi Ashade
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
7 July 2023
Lagos, Nigeria

1 General information

1.1 Reporting entity

Great Nigeria Insurance Plc ("the Company") underwrites life and non-life insurance risks, such as those associated with death, disability, health, property, and liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Company does business in Nigeria. The Company is a limited liability company incorporated and domiciled in Nigeria. The address of its registered office is No. 8 Omo Osagie Street, Ikoyi. Lagos.

1.2 Going concern

The Consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group has adequate resources to continue as going concern for the foreseeable future.

1.3 *Statement of compliance*

The financial statements have been prepared in accordance with IFRS Standards and in the manner required by Companies and Allied Matters Act of Nigeria, 2020, the Insurance Act of Nigeria, the Financial Reporting Council of Nigeria Act (FRC Act) and Nigerian Insurance Commission (NAICOM) guidelines and circulars.

1.4 Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange transactions except for certain investments whose valuation was based on observable input from asset
managers.

These financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.

These consolidated and separate financial statements are prepared on the historical cost basis except for the following material items in the statement of financial position.

(i) Financial instruments designated at fair value though profit or loss are measured at fair value.
(ii) Amortized cost instruments are measured at fair value.
(iii) Financial liabilities measured at amortized cost.
(iv) Land and building measured at revalued amount.
(v) Investment properties measured at fair value
(vi) Insurance liabilities measured at present value of future cashflows.

1.5 Functional and presentation currency

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

1.6 Use of judgments and estimates

The preparation of consolidated and separate financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 4 to the financial statements.

2. Application of new and revised IFRS Standards

Standards and interpretations not yet effective during the reporting period

A number of new standards are effective for annual periods beginning after 1 January 2023 and have not been applied in preparing these consolidated financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Group (or Company) are set out below.
The Group does not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated.

- **IFRS 17**

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

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

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.
The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.
The standard is effective for annual periods beginning on or after 1 January 2023.

A. **Estimated impact of the adoption of IFRS 17**

The Group's assessment of the estimated impact that the initial application of IFRS 17 will have on its consolidated financial statements is ongoing and the transition adjustments are expected to have a significant impact on the financial statements.

The assessment is in the preliminary stage and the actual impact of adopting IFRS 17 on 1 January 2023 will materialize after:

- the Group has refined the new accounting processes and internal controls required for applying IFRS 17;
- the Group has finalized the testing and assessment of controls over its new IT systems and changes to its governance framework

B. **Identifying contracts in the scope of IFRS 17 [IFRS 17.C1]**

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participatory feature (DPF).

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components, and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

C. **Level of aggregation [IFRS 17.14, 16, 22, A]**

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort

When a contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognized immediately (see (v) and (vi)). Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognized sooner.

D. **Contract boundaries**

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognized contracts, as opposed to future unrecognized contracts. The period covered by the premiums within the contract boundary is the ‘coverage period’, which is relevant when applying a number of requirements in IFRS 17.

i) Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

ii) Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

E. **Measurement – Overview**

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. All insurance contracts and investment contracts with DPF in the Participating segment are expected to be classified as direct participating contracts.

Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. For an explanation of how the Group will apply the PAA.

The Group expects that it will apply the PAA to all contracts in the Non-life segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

- Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above

F. Measurement - Non-Life Contracts

On initial recognition of each group of Non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Group will elect to recognize insurance acquisition cash flows as expenses when they are incurred.
Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognized as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.
If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognize a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

The Group will recognize the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.
The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

G. Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in the Group's consolidated financial statements.
Under IFRS 17, portfolios of insurance contracts and investment contracts with DPF that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.
Under IFRS 17, amounts recognized in the statement of profit or loss and OCI are disaggregated into
(a) an insurance service result, comprising insurance revenue and insurance service expenses; and
(b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

- Insurance service result

For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.

For contracts measured using the PAA, insurance revenue is recognized based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognize insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.
Expenses that relate directly to the fulfilment of contracts will be recognized in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Group may choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognized in profit or loss will be included in the insurance service result.

- Insurance finance income and expenses
Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).
For Participating and Non-life contracts, the Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

Disclosure
IFRS 17 requires extensive new disclosures about amounts recognized in the financial statements, including detailed reconciliations of contracts, effects of newly recognized contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts, reinsurance contracts and investment contracts with DPF.
Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements; The amendments are consistent with the refined definition of material:

> "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023

This is not expected to have a significant impact on the Group.

- **Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)**

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The standard is effective for annual periods beginning on or after 1 January 2023. This is not expected to have a significant impact on the Group.

- **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**

Amendments to IFRS 16 Leases requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

This has no significant impact on the Group.

Classification of Liabilities as Current or Non-current Liabilities with Covenants (Amendment to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.
In addition the Group will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognized as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation

The standard is effective for annual periods beginning on or after 1 January 2023. This is not expected to have a significant impact on the Group.

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

The amendments require the full gain to be recognized when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognized. The definition of a business is key to determining the extent of the gain to be recognized.

When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.

Under the consolidation standard, the parent recognizes the full gain on the loss of control. But under the standard on associates and JVs, the parent recognizes the gain only to the extent of unrelated investors' interests in the associate or JV.

In either case, the loss is recognized in full if the underlying assets are impaired. This has no significant impact on the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

Regulatory authority and financial reporting

The Group is regulated by the National Insurance Commission (NAICOM) under the Insurance Act and NAICOM circulars and guidelines. 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) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure 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 3.29 to cover fluctuations in securities and variation in statistical estimates;

iv) Section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

v) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act;(ii) 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;

(iii) Section 25 (1) requires an insurance Group operating in Nigeria to invest and hold invested in Nigeria assets
equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

See Note 56 for assets allocation that covers policy holders' funds.

However, section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the Insurance Act CAP I17 LFN 2004 which conflict with the provisions of IFRS have not been adopted:

i) 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. See note 3.21(i) (b) on accounting policy for outstanding claims.

ii) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 3.20(b)(ii) on accounting policy for unexpired risk and unearned premium.

Except for the changes explained in Note 2 above, the Group has consistently applied the following accounting policies to all periods presented in the financial statement.

3.1 Basis of Consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date-i.e. when control is transferred to the Group (see 3.1(iv)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.14). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

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

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent are recognized in profit or loss.

(ii) Non-controlling interest

Non-controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee. The consolidated financial statements incorporate the assets liabilities, result of GNI Healthcare Limited and GNI Capital Management Limited. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Loss of Control

When the Group loses control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(a) Foreign currency translation

Transactions in foreign currencies are translated into the respective functional currency of the Group at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of available for sale equity instruments.

3.3 Interest

Interest income and expense are recognized in profit or loss using the effective interest method. The effective

interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability. When calculating the effective the calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to that acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of total comprehensive income include: - Interest on financial asset and financial liabilities measured at amortized cost calculated on an effective interest basis; - Interest on available-for-sale investment securities calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are incidental to the group's trading operation and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

3.4 Commission income

Commissions are recognized on ceding business to the re-insurer and are credited to income statement over the period the service is provided.

3.5 Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realized and unrealized fair value changes, interest, dividends, and foreign exchange differences. Investment income is accounted for on an accrual basis. Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognized within ‘investment income’ and ‘finance costs’ in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognized as an adjustment to the effective interest rate of the instrument. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.6 Dividend income

Dividend income is recognized when the right to receive income is established. Usually this is the Ex-dividend date for quoted securities. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

3.7 Leases

At inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised insubstance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

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

(ii) As a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.
Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered during current reporting period that resulted in a finance lease classification.

3.8 Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

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

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum Tax

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

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

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

Deferred taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for: - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;

- temporary differences related to investments in subsidiaries to the extent that is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profit are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of the future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.9 Financial instruments

Initial recognition and measurement

Financial instruments are recognized initially when the Group becomes a party to the contractual provisions of the instrument.
All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where e-transaction cost is expensed in the income statement.
The Group classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual agreement.
Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on annual basis.

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

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial 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. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
– how the performance of the portfolio is evaluated and reported to the Group's Management;
– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Solely principal and interest (SPPI) assessment
In assessing whether the contractual cash flows are solely principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features, and
- terms that limit the Group's claim to cash flows from the specified assets.

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

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

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets if the transferee has the right to sell or repledge them. Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

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

Financial assets

a) Classification and subsequent measurement
To measure a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. The classification is based on the results of the Group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the Group as at 31

December 2022 are fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. At initial recognition, all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the Group as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/ (losses) on financial assets classified as held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively.

In line with our accounting policy, investment in federal government securities for Annuity portfolio will have an initial asset recognition classified as fair valued to profit or loss.

Fair value changes relating to financial assets designated at fair value through profit or loss are recognized in 'Net gains from financial assets held for trading'.

ii) Amortized Cost
Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortized cost only if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows (the business model test) and

b. 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 contractual cash flows characteristics test).

If a financial asset satisfies both conditions, it is required to be measured at amortized cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

iii) Fair Value through other comprehensive income (FVTOCI)
Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
b. 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 contractual cash flows characteristics test).

b) Impairment of financial assets

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

- Financial assets that are debt instruments; and
- Trade and other receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

(i) Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the assets original effective interest rate.

IFRS 9 ECL Impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a Significant Increase in Credit Risk (SICR) since origination and are not credit impaired. The ECL will be computed using a 12-month probability of default (PD) that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 months, a PD is used that corresponds to remaining maturity.

Stage 2 – When a financial asset experiences a SICR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset.

Stage 3 – Financial assets that have objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses. The impairment requirements of IFRS 9 are complex and require management judgments, estimates and assumptions, particularly in the areas of assessing whether the credit risk of an instrument has increased significantly since initial recognition and incorporating forward-looking information into the measurement of ECLs.

Inputs into measurement of ECL

The key inputs into the measurement of ECL are the following variables:

- probability of default (PD);
- loss given default (LGD)
- exposure at default (EAD)

ECL for exposures in stage 1 (12-month ECL) is calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

These parameters are generally derived externally from Standard and Poor's (S&P), Moody's, Fitch and they are adjusted to reflect forward-looking information as described above.

PD is an estimate of the likelihood of default over a given time horizon, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group plans to estimate LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, and counterparty industry. LGD estimates are recalibrated for different economic scenarios and, for lending, to reflect possible changes in the economies. They are calculated on a discounted cash flow basis using the effective interest rate as the discount.

EAD represents the expected exposure in the event of a default. The Group expects to derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

Forward looking information (FLI)
The Group will incorporate forward-looking information into both its assessment of whether the credit risk of an
instrument has increased significantly since its initial recognition and its measurement of ECL. Based on consideration of a variety of external actual and forecast information, the Group intends to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process would involve developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information may include economic data and forecasts published by governmental bodies and monetary authorities, supranational organisations and selected private-sector and academic forecasters. The base case is expected to represent a most-likely outcome and be aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios would represent more optimistic and more pessimistic outcomes.

Impairment on trade receivables - the simplified approach
Loss allowance on trade receivables or contract assets that result from transactions in the scope of IFRS 15 are measured using a simplified approach. The Group's trade receivables do not contain a significant financing components and have a short duration, typically less than 12 months which means that measuring the loss allowance as lifetime ECLs generally does not differ from measuring at 12-month ECLs. Trade receivables without a significant financing component are measured on initial recognition at the transaction price determined in accordance with IFRS 15 and do not have a contractual interest rate. This implies that the effective interest rate for these receivables is zero accordingly, the discounting of cash shortfalls to reflect the time value of money when measuring ECL is not generally required.

(ii) Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or being more than 90 days past due;
– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

(iii) Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are charged to profit and loss and deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

i) Assets carried at amortized cost
The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognized in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted based on current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a financial asset is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to Groups and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/ (losses) on investment securities.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

ii) Assets classified as fair value through other comprehensive income

The Group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognized in other comprehensive income and accumulated in equity to profit, or loss is not done. This applies throughout the life of the instrument and at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognized in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

a. the Group's right to receive payment of the dividend is established;
b. it is probable that the economic benefits associated with the dividend will flow to the Group; and
c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value are recognized in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and impairment gains or losses until the financial asset is derecognized or reclassified.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if the financial asset had been measured at amortized cost.

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Group's senior management and is done because of external or internal changes which are significant to the Groups operations and demonstrable to external parties.
Reclassification of financial assets occurs when the Group changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

Financial liabilities

Classification and subsequent measurement
The Group's holding in financial liabilities represents mainly 'due to Groups', 'deposit from customers' and 'other liabilities. These are all classified as financial liabilities measured at amortized cost.

These financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Any difference between the proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

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

Amortized cost measurement
The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

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

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the asset of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities based on the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(h) Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the NAICOM's "NO PREMIUM NO COVER" policy.

3.11 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with central bank and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.
Cash and cash equivalents are carried at amortized cost in the statement of financial position.

3.12 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment properties are measured at fair value with any change therein recognized in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and regarding recent market transactions for similar properties in the same location.

In an active market, an independent valuer, holding a recognized and relevant professional qualification and with recent experience in the location and category of investment property being valued, values the portfolio annually. Any gain and loss arising from a change in the fair value is recognized in the statement of profit or loss.

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

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent measurement.

3.13 Property, plant and equipment

(a) Recognition & measurement
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets above fifty thousand includes the cost of materials and direct labor, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. However, Land and building Great Nigeria Insurance Plc are carried at revalued amounts and the revaluation happens on a yearly basis.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs
The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Ongoing repairs and maintenance are recognized in profit or loss as incurred.

(c) Depreciation
Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using the straight-line method over the estimated useful lives and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.
The estimated useful lives of significant items of property, plant and equipment are as follows:

	Years
Buildings	40
Furniture and equipment	8
Computer equipment	3
Fixtures and fittings	8
Motor vehicles	4
Generating Set	4

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its

estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit and loss account for the period.

(d) De-recognition

An item of property, plant and equipment is derecognized 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 derecognized.

3.14 Intangible assets

(a) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible asset. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

(b) Purchased software

Expenditure on internally developed software is recognized as an asset when the Group can demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalized costs of internally developed software include all costs directly attributable to developing the software and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.
Amortization is recognized 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 estimated useful life of software is three years. This is reassessed annually.

3.15 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses are recognized in profit or loss. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.16 Reinsurance assets

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due. The details of recognition and measurement of reinsurance contracts have been set out under note 3.20 (b)(iii).

3.17 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts. Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the ratio of unearned premium to written premium.

3.18 Segment reporting

Segment results that are reported to the Group's Board of Directors (being the chief operating decision maker) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.
The Group’s reportable segments under IFRS 8 are therefore identified as follows:
- Non-life insurance;
- Life insurance;
- Healthcare

Capital Management

The other segment includes corporate expenses and other activities not related to the core business segments and which are not reportable segments due to their immateriality. Certain expenses, finance costs and taxes are not allocated across the segments.

The accounting policies of the reportable segments are the same as the Group’s accounting policies. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, certain finance costs and tax expense. This is the measure reported to the Group’s Chief Executive for the purposes of resource allocation and assessment of segment performance.

3.19 Prepayments

Prepayments are carried at cost and are amortized on a straight-line basis to the profit and loss account.

3.20 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. Statutory deposit represents 10% of the paid-up capital of the Group deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act CAP I17 LFN 2004. Statutory deposit is measured at cost and interest income on it is measured using the effective interest rate method.

3.21 Classification of insurance contracts

The Group issues contracts that transfer insurance risk.

The Group enters insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Types of insurance contracts
The Group classify insurance contracts into life and non-life insurance contracts

(i) Non-life insurance contract
These contracts are accident, casualty, and property insurance contracts.
Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties because of their legitimate activities. Damages covered include both contractual and noncontractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.
Non-life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There is no maturity or surrender benefits.

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

-*Annuity Contract*
These contracts ensure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contract are fixed annuity plans. Policy holders make a lump sum payment recognized as part of the premium in the period when the payment was made. Constant and regular payments are made to annuitants based on the terms and conditions agreed at the inception of the contract and throughout the life of the annuitant. The annuity funds are invested in long tailed government bond and are reasonably money market instrument to meet up with the payments of the monthly quarterly annuity payments.

The annuity funds liability is actually determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts- Recognition and measurement

(i) Premiums

Gross premiums comprise the premiums on insurance contracts entered during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is recognized gross of commission expense.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, considering the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

Annuity premiums relate to single premium payments and are recognized as earned premium income in the period in which payments are received. Premiums are recognized as revenue when they become payable by the contract holders.

(ii) Unearned premiums

Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time apportionment basis, or another suitable basis for uneven risk contracts. Provision for unexpired risk is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired period of policies in force at the reporting date exceeds the unearned premium in relation to such policies after deduction of any deferred acquisition costs.

(iii) Reinsurance

The Group cedes out insurance risks in the normal course of business for the purpose of limiting its net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Premium ceded, claims reimbursed, and commission recovered are presented in the income statement and balance sheet separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance recoverable are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the income statement as a result of an event that occurred after its initial recognition, for which the Group may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(iv) Claims incurred
Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represents the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to profit or loss as incurred.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary because of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial period in which adjustments are made and disclosed separately if material.

Reinsurance recoverable are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in the income statement.
Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policyholders' liabilities.

Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(vi) Liabilities and related assets under liability adequacy test
The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made, and the Group recognizes the deficiency in the income statement for the year. The liability adequacy test is performed yearly by EY Nigeria. The December 2022 year end adequacy test was performed by Wise Chigudu with FRC number FRC /2022/PRO/NAS/004/00000024119.

(vii) Salvages
Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right).
Salvage recoveries are presented net of the claim expense.

(viii) Subrogation
Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss.

A receivable for subrogation is recognized in other receivables when the liability is settled, and the Group has the right to receive future cash flow from the third party.

3.22 Insurance contract liabilities
Insurance contract liabilities are determined as follows:

i Non-life business

(a) Reserves for unearned premium and unexpired risk

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year. A provision for additional unexpired risk reserve is recognized for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(b) Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

(i) Reserving methodology and assumptions

For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made to estimate the ultimate cost of claims. The two methods more commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. The claims' paid data was sub–divided into large and additional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insufficient claim data, large and additional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

(ii) Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into 6 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 6 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using a discount rate of 12% to allow for a margin of prudence.
The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding.

(i) Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method.

This method assumes the following:

- The future claims follow a trend pattern from the historical data
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
- The runoff period is seven (7) years and hence the method assumes no more claims will be paid subsequently.
- That weighted past average inflation will remain unchanged into the future.

(iv) Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special Risk reserves were estimated based on this method. Under this method, the ultimate claims were obtained by assuming loss ratio of 30%, where loss ratio is defined as claims incurred divided by earned premiums. Outstanding claims is stated as amount estimated.

(II) Life business

(a) General reserve fund

This is made up of net liabilities in force as computed by the actuaries at the time of the actuarial valuation.

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising therefrom are charged to the profit and loss account while the surplus is appropriated to the shareholders and credited to the income statement.

(b) Reserves for outstanding claims

See 3.21(I)(b)

3.23 Recognition and measurement of investment contracts

Investment contracts and the related receipts and payments are accounted in the balance sheet in line with the accounting policies for financial instruments stated in note 3.9. The deposit liability recognized in the balance sheet represents the amounts payable to the holders of the investment contracts gross of allocated investment income.

3.24 (i) Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one-year discounting is omitted.

(ii) Deposit for Shares

The Group recognizes investment in its subsidiary which has not been allotted for shares as a receivable being described as deposit for shares. The liability is accrued in the book of the subsidiary and eliminated in the group account.

3.25 Provisions

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

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

3.26 Borrowing and finance costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except for those that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the cost of that asset.

3.27 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided and recognized as personnel expenses in profit or loss. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group operates a defined contribution pension scheme. This scheme was started post 2004.
Employees are entitled to join the scheme on commencement of employment. Employee and the Group contributions are 12.5% each of the employee's annual basic salary, housing, and transport allowance respectively. Employee contributions are funded through payroll deductions while the Group's contribution is expensed in profit or loss. Contributions under this scheme are remitted to the individual employee's pension fund administrator.

(b) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. to calculate the present value of economic benefits, consideration is given to any applicable minimum funding arrangements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

(d) Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

(e) Short-term employee benefits
Short-term employee benefits expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably

3.28 Share capital and reserves
Share capital.
The Group classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

3.29 Asset revaluation reserve
Assets revaluation reserves represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date.

3.30 Contingency reserves
The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business. Contingency reserve for life business is credited with the higher of 1% of gross premiums and 10% of profit after taxation. The National Health Insurance Scheme (NHIS) requires all Healthcare Management Organization (HMOs) to make a reserve of 5% of the total fee-for-service income received from the NHIS for the year in respect of the public sector enrollees to cover claims for medical services rendered in arrears by the healthcare providers to the

enrollees. However, no reserve was made in the current year as the Group did not have any public sector enrollee.

3.31 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

3.32 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.
Underwriting expenses for insurance contracts and investment contracts are recognized as expense when incurred, except for acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.33 Management expenses

Management expenses are expenses other than claims and underwriting expenses. They are accounted for on an accrual basis.

3.34 Employee benefit expenses

Employee benefit expenses are expenses that relate to staff costs. See note 3.26 for accounting policy on employee benefits.

3.35 Dividend payable

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

Consolidated and Separate Statement of Financial Position
As at 31 December 2022

In thousands of Naira	Notes	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Assets					
Cash and cash equivalents	5	13,520,624	7,249,123	13,460,792	7,123,621
Financial assets	6	4,377,638	4,880,973	4,377,638	4,880,973
Trade receivables	7	78,777	66,142	3,921	1,154
Reinsurance assets	8	347,457	265,355	347,457	265,355
Deferred acquisition cost	9	84,999	74,260	82,676	71,579
Other receivables and prepayment	10	246,477	280,295	196,222	202,192
Investment in subsidiary	11	-	-	349,192	348,146
Investment properties	12	5,854,000	5,693,415	5,854,000	5,693,415
Intangible assets	13	159,325	173,747	156,818	169,318
Right of Use (ROU) Assets	14	61,292	71,507	61,292	71,507
Property, plant and equipment	15	1,789,987	1,528,777	1,547,622	1,285,460
Statutory deposit	16	500,000	500,000	500,000	500,000
Total assets		27,020,576	20,783,594	26,937,630	20,612,720
Liabilities					
Insurance contract liabilities	17	16,455,683	12,013,192	16,401,533	11,896,308
Investment contract liabilities	18	539,434	479,218	539,434	479,218
Trade payables	19	9,781	9,781	9,781	9,781
Retirement benefit obligation	20	1,722	1,722	1,722	1,722
Lease liability	21	41,255	35,874	41,255	35,874
Loans and borrowings	22	679,110	-	679,110	-
Other payables	23 (a)	1,176,439	1,101,315	1,194,291	1,087,856
Provisions	23 (a)	62,716	48,841	58,691	43,190
Deferred tax liabilities	24	725,394	626,077	725,426	620,405
Current tax liabilities	25	43,482	55,486	36,653	50,027
Total liabilities		19,735,016	14,371,507	19,687,896	14,224,382
Net assets		7,285,560	6,412,087	7,249,734	6,388,338
Equity					
Issued and paid up capital	26	1,913,742	1,913,742	1,913,742	1,913,742
Share premium	27	3,110,664	3,110,664	3,110,664	3,110,664
Contingency reserve	28	1,559,923	1,415,256	1,559,923	1,415,256
Retained losses	29	(863,583)	(1,455,992)	(763,567)	(1,347,578)
Fair value reserve	30	380,461	380,461	380,461	380,461
Assets revaluation reserve	31	1,132,526	998,219	1,048,511	915,793
Total equity attributable to owners of the Company		7,233,733	6,362,350	7,249,734	6,388,338
Non-controlling Interest	32	51,827	49,737	-	-
Shareholder's fund		7,285,560	6,412,087	7,249,734	6,388,338

These Consolidated and seperate financial statements were approved by the Board of Directors on 28 April, 2023 and signed on its behalf by:

Mr Bade Aluko
Chairman
FRC/2016/IODN/00000015579

Cecilia .O. Osipitan
Managing Director/CEO
FRC/2012/CIIN/00000000596

Additional certification by:

Adedayo Olukemi R.
Chief Financial Officer
FRC/2020/001/00000022333

Consolidated Statements of Profit or loss and other comprehensive income
For the year ended 31 December 2022

In thousands of Naira	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross premium written	33	10,405,380	8,605,957	10,226,750	8,368,607
Changes in unearned premium	33a(i)	(90,797)	(31,459)	(113,219)	(56,779)
Earned premium income	33a(i)	10,314,583	8,574,498	10,113,531	8,311,828
Reinsurance expense	33a(ii)	(593,389)	(550,884)	(593,389)	(550,884)
Net insurance premium revenue		**9,721,194**	**8,023,614**	**9,520,142**	**7,760,944**
Commission income	34	125,191	105,823	125,191	105,823
Net underwriting Income		**9,846,385**	**8,129,437**	**9,645,333**	**7,866,767**
Net claims expense	35	(3,467,351)	(2,306,097)	(3,346,759)	(2,156,413)
Acquisition expenses	36	(681,829)	(465,505)	(671,498)	(450,691)
Maintenance costs	37	(95,346)	(90,895)	(95,346)	(90,895)
Changes in Life fund	35	(4,270,271)	(3,593,568)	(4,270,271)	(3,593,568)
		(8,514,797)	**(6,456,065)**	**(8,383,874)**	**(6,291,567)**
Underwriting results		**1,331,588**	**1,673,372**	**1,261,459**	**1,575,200**
Investment income	38	1,457,759	669,801	1,450,033	661,035
Net fair value (loss)/ gains on assets measured at fair value through profit or loss:	39	(118,456)	613,371	(118,456)	613,371
Other operating income	40	12,097	26,714	12,097	26,120
Management expenses	41	(1,806,186)	(1,647,188)	(1,734,165)	(1,550,223)
Finance Cost	41(c)	(84,490)	(4,679)	(84,490)	(4,679)
Gain on investment contracts	18(d)	16,367	38,756	16,367	38,756
Results of operating activities		**808,679**	**1,370,147**	**802,845**	**1,359,580**
Impairment (losses)/ gains	42	(218)	(90,333)	621	(81,444)
Profit before minimium taxation		**808,461**	**1,279,814**	**803,466**	**1,278,136**
Minimum tax expense	25(b)	(11,827)	(5,399)	(10,784)	(4,719)
Profit before taxation		796,633	1,274,415	792,683	1,273,418
Income tax expense	25(b)	(57,828)	(205,102)	(64,006)	(204,250)
Profit after taxation		**738,805**	**1,069,313**	**728,677**	**1,069,168**
Other comprehensive income, net of tax					
Items within OCI that will not be reclassified to the profit or loss:					
Gain on revaluation of land and building	31	192,600	441,900	189,600	424,900
Tax on revaluation gains on revaluation of property	31	(57,780)	(130,237)	(56,880)	(127,470)
		134,820	**311,663**	**132,720**	**297,430**
Fair value gains on unquoted equities	6b(ii)	-	8,055	-	8,055
Other comprehensive income		**134,820**	**319,718**	**132,720**	**305,485**
Total comprehensive income for the year		**873,625**	**1,389,031**	**861,397**	**1,374,653**
Profit/(loss) attributable to:					
Owerners of the parent		737,075	1,066,444	728,677	1,069,168
Non-controlling interest		1,731	2,869	-	-
		738,805	**1,069,313**	**728,677**	**1,069,168**
Total comprehensive income / (losses) attributable to:					
Owerners of the parent		863,129	1,363,784	861,397	1,374,653
Non-controlling interest		10,496	25,247	-	-
		873,625	**1,389,031**	**861,397**	**1,374,653**
Earnings per share					
– Basic earning per share (k)	43	19	28	19	28

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

Consolidated and Separate Statement of Changes in Equity

In thousands of Naira
Group

2022	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained losses	Total equity attributable to parent's shareholder	Non-Controlling interest	Total equity
At 1 January 2022	1,913,742	3,110,664	998,218	380,460	1,415,256	(1,455,992)	6,362,349	49,737	6,412,087
									-
Profit for the year	-	-	-	-	-	737,075	737,075	1,731	738,805
Other comprehensive income, net of tax:	-	-	-	-	-	-	-	-	-
Revaluation of property in use by the company net of tax	-	-	134,307	-	-	-	134,307	513	134,820
Gains on FVOCI assets net of tax	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	134,307	-	-	-	134,307	513	134,820
Total comprehensive income for the year	-	-	134,307	-	-	737,075	871,382	2,243	873,625
Transfer between reserves									
Transfer to contingency reserve	-	-	-		144,666	(144,666)	-		
Transaction with owners, recorded directly in equity:									
Opening NCI Adjustment								(154)	(154)
Total transactions between owners of equity	-	-	-		144,666	(144,666)	-	(154)	(154)
At 31 December 2022	1,913,742	3,110,664	1,132,526	380,461	1,559,922	(863,583)	7,233,733	51,827	7,285,560

Group

2021	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained losses	Total equity attributable to parent's shareholder	Non-Controlling interest	Total equity
At 1 January 2021	1,913,742	3,110,664	689,461	372,405	1,244,966	(2,352,146)	4,979,092	44,932	5,024,024
Profit /(loss) for the year	-	-	-	-	-	1,066,444	1,066,444	2,869	1,069,313
Other comprehensive income, net of tax:	-	-	-	-	-	-	-	-	-
Revaluation of property in use by the company	-	-	308,758	-	-	-	308,758	2,905	311,663
Gains on FVOCI assets	-	-	-	8,055	-	-	8,055	-	8,055
Total othercomprehensive income for the year	-	-	308,758	8,055	-	-	316,813	2,905	319,718
Total comprehensive income for the year	-	-	308,758	8,055	-	1,066,444	1,383,257	5,774	1,389,031
Transfer between reserves									
Transfer to contingency reserve	-	-	-		170,290	(170,290)	-		
Transaction with owners, recorded directly in equity:									
Opening NCI Adjustment								(969)	(969)
Total transactions between owners of equity	-	-	-		170,290	(170,290)	-	(969)	(969)
At 31 December 2021	1,913,742	3,110,664	998,218	380,460	1,415,256	(1,455,992)	6,362,349	49,737	6,412,087

Company

2022	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained earnings	Total equity
At 1 January 2022	1,913,742	3,110,664	915,795	380,461	1,415,256	(1,347,578)	6,388,338
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	728,677	728,677
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	132,720		-	-	132,720
Total other comprehensive income for the year	-	-	132,720	-	-	-	132,720
Total comprehensive income/(loss) for the year	-	-	132,720	-	-	728,677	861,397
Transfer between reserves							
Transfer to contingency reserve	-	-	-	-	144,666	(144,666)	-
Transaction with owners, recorded directly in equity:							
At 31 December 2022	1,913,742	3,110,664	1,048,511	380,461	1,559,923	(763,567)	7,249,734

Company

2021	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained earnings	Total equity
At 1 January 2021	1,913,742	3,110,664	618,365	372,405	1,244,966	(2,246,456)	5,013,686
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,069,168	1,069,168
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	297,430		-	-	297,430
Fair Value of unquoted equities classified through OCI				8,055			8,055
Total other comprehensive income for the year	-	-	297,430	8,055	-	-	305,485
Total comprehensive income/(loss) for the year	-	-	297,430	8,055	-	1,069,168	1,374,653
Transfer between reserves							
Transfer to contingency reserve	-	-	-	-	170,290	(170,290)	-
Transaction with owners, recorded directly in equity:							
At 31 December 2021	1,913,742	3,110,664	915,795	380,461	1,415,256	(1,347,578)	6,388,338

Consolidated and Separate Statements of Cash Flows
For the year ended 31 December 2022

In thousands of Naira

	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash flows from operating activities:					
Cash premium received	33(b)	10,391,906	8,625,967	10,223,983	8,374,442
Reinsurance premium paid	8 (b)i	(592,040)	(579,466)	(592,040)	(579,466)
Gross benefit and claims paid	35	(3,698,716)	(2,735,569)	(3,537,812)	(2,596,342)
Reinsurance recoveries	35ii	229,339	163,032	229,339	163,032
Acquisition expenses paid	9(b)	(692,568)	(471,370)	(682,595)	(457,275)
Maintenance expenses paid	37	95,346	(90,895)	95,346	(90,895)
Commission received	34	125,535	116,540	125,535	116,540
Net cash on deposit Administration contracts	41(e)	43,846	20,029	43,846	20,029
Other operating cash payments	41(d)	(1,051,039)	(967,837)	(1,306,021)	(1,213,529)
Cash paid to employees	41	(526,116)	(593,048)	(492,693)	(555,708)
Cash generated from operations		4,325,492	3,487,383	4,106,888	3,180,828
Income tax paid	25	(40,123)	(105,941)	(40,023)	(103,621)
Net cash received from operating activities		4,285,369	3,381,442	4,066,865	3,077,207
Cash flows from investing activities:					
Purchases of property, plant and equipment	15	(140,669)	(26,335)	(140,115)	(23,627)
Proceed from disposal of property, plant and equipment	40 (i)	-	1,198	-	-
Additions to investment property	12a	-	(51,008)	-	(51,008)
Acquisition of Intangible asset	13	(97,453)	(82,425)	(97,453)	(82,425)
Purchase of financial assets	6(d)	(106,285)	(3,686,833)	(106,285)	(3,686,833)
Proceeds from disposal of financial assets	6(d)	261,173	595,029	261,173	595,029
Dividend received	38	25,012	14,851	25,012	14,851
Interest received	38(a)	1,421,789	649,988	1,416,791	644,129
Rent received	38(b)	48,364	40,253	336,982	326,984
Net cash generated from / (used in) investing activities		1,411,931	(2,545,282)	1,696,105	(2,262,900)
Cash flows from financing activities:					
Proceed from borrowings	22	600,000	-	600,000	-
Net cash provided/ (used in) financing activities		600,000	-	600,000	-
Cash and cash equivalents at beginning of year		7,290,290	6,446,307	7,164,788	6,342,658
Effect of exchange rate fluctuation on cash held	40	3,756	7,823	3,756	7,823
Net change in cash and cash equivalents		6,297,300	836,160	6,362,970	814,307
Cash and cash equivalents at end of year	5	13,591,346	7,290,290	13,531,514	7,164,788

Notes to the consolidated and separate financial statements

5 Cash and cash equivalents

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash at bank and in hand	66,663	443,205	53,909	440,533
Short-term bank deposits (note 5.1)	13,524,683	6,847,085	13,477,605	6,724,255
Cash and cash equivalent for cash flow purposes	13,591,346	7,290,290	13,531,514	7,164,788
Less:				
Allowance for ECL Impairment (note 5.2)	(70,722)	(41,167)	(70,722)	(41,167)
	13,520,624	**7,249,123**	**13,460,792**	**7,123,621**

5.1 Short term bank deposits have an average maturity period of three months, and are made depending on the cash requirement of the Company. The average interest rate per annum of the bank deposits is 0.9% (2021: 0.7%). The carrying amounts reasonably approximate the fair value at the reporting date.

5.2 The movement in the impairment balance is as follows:

	GROUP		COMPANY	
In thousands of Naira	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
At 1 January	41,167	70,033	41,167	70,033
ECL impairment charge/ (reversal) for the year	29,555	(28,866)	29,555	(28,866)
At 31 December	70,722	41,167	70,722	41,167

6 Financial assets

Financial assets comprise of:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Amortised cost (see note (6a) below)	97,281	355,901	97,281	355,901
Fair value through other comprehensive income (see note (6b) below)	583,713	552,416	583,713	552,416
Fair value through profit or loss (see note (c) below)	3,696,644	3,972,656	3,696,644	3,972,656
	4,377,638	**4,880,973**	**4,377,638**	**4,880,973**
Current	97,281	355,901	97,281	355,901
Non current	4,280,357	4,525,072	4,280,357	4,525,072
	4,377,638	**4,880,973**	**4,377,638**	**4,880,973**

6(a) Amortised Cost

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Corporate bond	-	262,194	-	262,194
Treasury bills	58	58	58	58
Loans and receivables	179,581	178,560	179,581	178,560
	179,639	440,812	179,639	440,812
Impairment allowance	(82,358)	(84,911)	(82,358)	(84,911)
	97,281	**355,901**	**97,281**	**355,901**

6(b) Fair value through other comprehensive income

At 1 January	552,416	552,416	552,416	541,807
Additions to FVTOCI assets (see 6b(ii) below)	31,297	-	31,297	10,609
At 31 December	583,713	552,416	583,713	552,416

(i) FVTOCI assets include investment in WAICA Reinsurance Plc at a cost $141,981 with an exchange rate of N461/$ and Other Company's as detailed in note (6bii)

(ii)

Fair value through other comprehensive income	1-Jan-22	Additions	Gain / (loss)	31-Dec-22
Nigeria Aluminium Extrusion Limited	28,675	-	-	28,675
Sterling Assurance Nigeria Limited	143,126	-	-	143,126
Montgomery Vaults Nigeria Limited	23,398	5,291	-	28,689
Capital Bancorp Ltd Ordinary Shares of N1.00 each	292,902	26,006	-	318,908
WAICA Reinsurance Plc	61,762	-	-	61,762
Others	2,554	-	-	2,554
TOTAL	**552,416**	**31,297**	**-**	**583,714**

Notes to the financial statements

6(c) Fair value through profit and loss

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	3,972,656	456,747	3,972,656	456,747
Additions during the year	3,029	3,531,630	3,029	3,531,630
Fair value loss (see note 38)	(279,041)	(15,721)	(279,041)	(15,721)
At 31 December	**3,696,644**	**3,972,656**	**3,696,644**	**3,972,656**

Changes in fair value of financial assets at fair value through profit or loss are recorded as net trading income on financial assets in the income statement. The fair value of all equity securities is based on their current bid prices on the Nigerian Stock Exchange.

(i)

Breakdown of fair value through profit or loss	**1-Jan-22**	**Additions**	**Loss**	**31-Dec-22**
Quoted Equities	488,830	3,029	(65,722)	426,137
FGN Bonds	3,483,826	-	(213,319)	3,270,507
At 31 December	**3,972,656**	**3,029**	**(279,041)**	**3,696,644**

6(d) Movement schedule of finanacial assets

In thousands of Naira

2022	**Amortised costs**	**FVOCI assets**	**FVTPL Assets**	**Total**
At 1 January	355,901	552,417	3,972,656	4,880,973
Additions	71,960	31,296	3,029	106,285
Maturity / redemption	(261,173)	-	-	(261,173)
Interest accrued	1,429,743	-	-	1,429,743
Interest received	(1,416,791)	-	-	(1,416,791)
Fair value gain /(loss)	-	-	(279,041)	(279,041)
Impairment allowance	(82,358)	-	-	(82,358)
At December	**97,281**	**583,713**	**3,696,644**	**4,377,638**

2021	**Amortised costs**	**FVOCI assets**	**FVTPL Assets**	**Total**
At 1 January	570,277	541,807	456,747	1,568,831
Additions	152,649	2,554	3,531,630	3,686,833
Maturity / redemption	(595,029)	-	-	(595,029)
Interest accrued	663,051	-	-	663,051
Interest received	(350,136)	-	-	(350,136)
Fair value gain /(loss)	-	8,055	(15,721)	(7,666)
Impairment allowance	(84,911)	-	-	(84,911)
At December	355,901	552,417	3,972,656	4,880,973

7 Trade receivables

Trade receivables comprise:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Due from agents	95,097	84,390	-	-
Due from brokers	3,921	1,154	3,921	1,154
	99,018	85,544	3,921	1,154
Impairment allowance (see note (i) below)	(20,241)	(19,402)	-	-
	78,777	**66,142**	**3,921**	**1,154**

(i)

Movement in impairment allowance				
Allowance as at 1 January	19,402	19,402	-	-
Impairment allowance charge during the year	839	-	-	-
Allowance as at 31 December	20,241	19,402	-	-

The average credit period on trade receivables for the insurance company is 30 days. No interest is charged on outstanding trade receivables.

The premium outstanding for the company as at statement of position date represent balance due from brokers and insurance companies which has been fully received as at 31 January, 2023.

(ii) The age analysis of trade receivables as at the end of the year was as follows:

Gross premium Days	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
0 - 30 days	99,018	85,544	3,921	1,154
	99,018	85,544	3,921	1,154

TABLE OF AGED ANALYSIS ON TRADE RECEIVABLE AS AT 31 DECEMBER 2022
COMPANY

S/N	Age of Debt			No of Policies	Amount
					N'000
1	Within 14 Days			2	1,031
2	Within 15 - 30 Days			6	2,890
3	Within 31 - 90 Days				-
	Total				**3,921**

8 Reinsurance assets

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Reinsurance share of insurance liability-General business	191,061	119,768	191,061	119,768
Reinsurance share of insurance liability-Life business	27,130	19,150	27,130	19,150
Prepaid reinsurance reserve - life business	16,232	10,797	16,232	10,797
Prepaid reinsurance reserve - General business	53,291	60,149	53,291	60,149
Minimum and deposit premium- General business	55,565	55,490	55,565	55,490
Claims recoverable from reinsurance brokers	78,481	74,303	78,481	74,303
	421,760	**339,659**	**421,760**	**339,659**
Impairment allowance (see note (c) below)	(74,303)	(74,303)	(74,303)	(74,303)
	347,457	**265,355**	**347,457**	**265,355**

(a) The Company conducted an impairment review of the reinsurance assets and arrived at an impairment of N74 million at year end. The Company has the right to set-off reinsurance assets against reinsurance liabilities on settlement. The carrying amounts disclosed above approximate the fair value at the reporting date.

(b) Reinsurance assets consist of the following

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Prepaid reinsurance	69,523	70,946	69,523	70,946
Reinsurance share of IBNR	218,191	138,918	218,191	138,918
Claim recoverable	4,178	(0)	4,178	(0)
Minimum and deposit premium prepaid	55,565	55,490	55,565	55,490
	347,457	**265,355**	**347,457**	**265,355**

i **Movement in prepaid reinsurance**

At 1 January	70,946	49,434	70,946	49,434
Additions in the year	592,040	579,466	592,040	579,466
Amortised in the year-reinsurance expense	(593,464)	(557,954)	(593,464)	(557,954)
At 31 December	**69,523**	**70,946**	**69,523**	**70,946**

ii **Movement in minimum and deposit premium**

At 1 January	55,490	48,420	55,490	48,420
Amortised in the year- reinsurance expense	75	7,070	75	7,070
At 31 December	**55,565**	**55,490**	**55,565**	**55,490**

iii

Movement in reinsurance share of IBNR and Claim recoveries	**Opening**	**Movement**	**Closing**
Reinsurance share of IBNR	138,918	79,272	218,191
Claim recoverable	-	4,178	4,178
At 31 December	**138,918**	**83,450**	**222,369**

(c) Movement in impairment allowance

Allowance at 1 January	74,303	27,068	74,303	27,068
Impairment charge during the year	-	47,235	-	47,235
Allowance for claim recoverable at 31 December	74,303	74,303	74,303	74,303

Notes to the financial statements

9 Deferred acquisition cost

(a) This represents commission on unearned premium relating to the unexpired tenure of risk.

In thousands of Naira

General business	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Deferred acquisition cost- Fire	15,211	15,211	15,211	15,211
Deferred acquisition cost- Gen. Accident	13,749	13,749	13,749	13,749
Deferred acquisition cost- Motor	8,948	8,948	8,948	8,948
Deferred acquisition cost- Marine	5,153	5,153	5,153	5,153
Deferred acquisition cost- Bond	16	16	16	16
Deferred acquisition cost- Oil & Gas	5,521	5,521	5,521	5,521
Deferred acquisition cost- Workmen's compensation	-	-	-	-
	50,531	48,599	50,531	48,599
Life Business	32,145	22,980	32,145	22,980
	82,676	**71,579**	**82,676**	**71,579**
Healthcare	2,323	2,681	-	-
	84,999	**74,260**	**82,676**	**71,579**
Current	84,999	74,260	82,676	71,579
Non- current	-	-	-	-
	84,999	**74,260**	**82,676**	**71,579**

(b) The movement in deferred acquisition costs is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	74,260	68,395	71,579	64,995
Additions during the year	692,568	471,370	682,595	457,275
Amortisation during the year	(681,829)	(465,505)	(671,498)	(450,691)
At 31 December	**84,999**	**74,260**	**82,676**	**71,579**

10 Other receivables and prepayment

(a) Other receivables and prepayments comprise:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Prepayment	12,935	18,356	12,935	18,356
Stock and inventory	7,542	7,542	7,542	7,542
Dividend receivable	5,509	5,509	5,509	5,509
Staff Advances	16,140	15,821	16,140	15,821
Rent receivable (note a (i) below)	150,180	146,663	150,180	146,663
Receivable from former Wema Bank Group (note a (ii) below)	72,145	72,145	72,145	72,145
Intercompany receivables (vi)	-	24,052	57,439	44,760
Deposit for investments (note a (iii) below)	102,094	102,094	102,094	102,094
Other receivables (note a (iv) below)	176,444	185,085	175,605	184,246
Sundry Debtors Account (vii)	30,707	65,707	30,707	65,707
Receivables on GNI Capital (see note (v) below)	106,854	97,972	-	-
	680,550	740,945	630,295	662,842
Impairment allowance (note (b) below)	(434,073)	(460,650)	(434,073)	(460,650)
	246,477	**280,295**	**196,222**	**202,192**
Current	246,477	280,295	196,222	202,192
Non-current	-	-	-	-
	246,477	**280,295**	**196,222**	**202,192**

(i) Amount represents the rent receivable from tenants at the company's investment properties which is currently under litigation. Part payment was received from the impaired amount as at year end.

(ii) The receivables from former Wema Bank group is made up of balances from Independent Securities, Wise Property Limited and Wema Secuirties Plc. Full impairment has been made for the account balance at the beginning of the year.

(iii) Deposit for investments represents investments of N96m in WEMASEC, N5.8m in Energy Insurance Pool. Full impairment allowance has been made for this balance at the beginning of the year, while discussion is ongoing with WEMA on the group receivaship liquidator for possible recovery of the investemnt.

(iv) Other receivables include balances due from Allied Bank Plc and the withholding tax recoverable. Allowance has been made on the account balance.

(v) Amount represents receivables arising from GNI Capital. The Directors have assessed this as recoverable as at end of the year.

(vi) Intercompany Receivables represents transactions that are carried out in the ordinary course of business with the Subsidiary.

(vii) Sundry Debtors of N30m represents the balance recoverable from the sum of N110m recoverable as claim from property located at 39/41 martins and N105m balance due from the sale of the property. A total sum of N185m from the total receivable of N216m has been received so far.

(b) The movement in impairment allowance on other receivables and prepayments during the year was as follows:

In thousands of Naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
At 1 January	460,650	464,700	460,650	464,700
Impairment write back during the year (note 41)	(26,577)	(4,050)	(26,577)	(4,050)
At 31 December	434,073	460,650	434,073	460,650

(c) *In thousands of Naira*

Description of Imparment Allowance	**Balance at 1 January 2021**	**Addition/(writeback) during the year**	**Balance at year end**
Prepayment	8,480	-	8,480
Stock and inventory	6,149	-	6,149
Dividend receivable	2,567	6,628	9,195
Staff Advances	22,369	-	22,369
Rent receivable	131,398	(26,435)	104,963
Deposit for investments	102,094	-	102,094
Receivable from former Wema Bank Group	72,145	-	72,145
Other receivables	115,448	(6,770)	108,678
At 31 December	460,650	(26,577)	434,073

11 Investment in subsidiary

In thousands of Naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
At 1 January	-	-	381,854	381,854
Impairment allowance	-	-	(32,662)	(33,707)
At 31 December	**-**	**-**	**349,192**	**348,146**

On 4 July 2013, the Group acquired 79.4% of the common stock of GNI Healthcare Limited (formerly, Gamma Health Nigeria Limited), to carry on the business of healthcare financing and insurance, healthcare maintenance organization services and health risk management. This subsidiary was incorporated in July 2012. In 2020, the company invested additional capital through purchase of unalloted shares in GNI Healthcare which brings GNI Plc's shareholding to 82.9% from 79.4%.

11(i) Movement in Investment in subsidiary

	Investment	**Impairment**	**Closing balance**
GNI Healthcare Limited	275,000	(32,662)	242,338
GNI Capital Management Limited (note 11(ii))	106,854	-	106,854
	381,854	**(32,662)**	**349,192**

11(ii) In 2018, the group incorporated GNI Capital Mangement Limited. The entity's objective is to manage the Group's investments including Investment Properties. The entity is yet to commence operations as at end of the year.

The movement in impairment allowance on investment in subsidiary during the year was as follows:

In thousands of Naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
At 1 January	-	-	33,707	42,596
Writeback during the year (note 42)	-	-	(1,046)	(8,889)
At 31 December	-	-	32,662	33,707

12 Investment properties

In thousands of Naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
At 1 January	5,693,415	5,013,315	5,693,415	5,013,315
Addition	-	51,008	-	51,008
Fair value gains (see note 12a)	160,585	629,092	160,585	629,092
At 31 December	**5,854,000**	**5,693,415**	**5,854,000**	**5,693,415**

Notes to the financial statements

(a)	*In thousands of Naira*					
	PROPERTY	**1-Jan-22**	**Additions**	**Fair value gains /(losses)**	**Exchange difference**	**31-Dec-22**
1	GNI House, West Arbour, London	440,315	-	(9,315)		431,000
2	GNI House, Akure	405,000	-	58,000	-	463,000
3	GNI House, Abeokuta	386,100	-	45,900	-	432,000
4	GNI House, Wuse Abuja (note (i))	412,000	-	23,000	-	435,000
5	GNI Oregun WareHouse	975,000	-	10,000	-	985,000
6	GNI House, 47/57 Martins Street	3,075,000	-	33,000	-	3,108,000
	GRAND TOTAL	**5,693,415**	-	**160,585**	-	**5,854,000**

(b) The items of investment properties are valued as shown below:

In thousands of Naira Investment properties location	**Status of Title**	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
GNI House, Alagbaka Road Akure	Perfected	463,000	405,000	463,000	405,000
GNI House, Along Onikolobo Road, Panseke, Abeokuta	Perfected	432,000	386,100	432,000	386,100
GNI House, 47/57 Martins street, Off Broad Street Marina Lagos (see note (c) below)	Perfected	3,108,000	3,075,000	3,108,000	3,075,000
GNI House, 39/41 Martins street, Off Broad Street Marina Lagos	Perfected	-	-	-	-
GNI House, No. 11 Malanje Street, Wuse Zone 4 Abuja	Perfected	435,000	412,000	435,000	412,000
Oregun Warehouse, Plot 13-17, Morrison Crescent Oregun Lagos	Perfected	985,000	975,000	985,000	975,000
GNI House, No. 13, West Arbour Street London E1 OPQ U.K	Perfected	431,000	440,315	431,000	440,315
		5,854,000	**5,693,415**	**5,854,000**	**5,693,415**

(c) The property at 47/57 Marina Street, Marina Lagos was gutted by fire on 4 November, 2013 which affected mostly 1st, 2nd and 3rd floors including the mezzanine floor. The carrying amount of the property increased from N2.601billion to N3.075billion as a result of increase of N474million in the value of the land. The company has obtained approval for the renovation of the building from the Lagos State Physical Planning in year 2017. The claims received from the Insurers of the property has also been warehoused in a fund account and reported as a liability as at year end. The prperty is yet to be renovated as at end of the year.

(d) The London property at 13, West Arbour street Stepney London, United Kingdom was valued 850,000 Pounds as at 31 December 2022 at N500 to £1 according to the National Autonomous Foreign Exchange (NAFEX) rates.

(e) The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, Ubosi Eleh & Co. (Estate Surveyors and Valuers) with FRC number FRC/2014/NIESV/0000000/3997 valued the properties on the basis of open market value as at 31 December 2022 and the valuation reports were signed by Ubosi Eleh with FRC number FRC/2013/NISEV/00000001493.

(f) The fair value measurement for the investment properties of N5.854 billion has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

(g) **Valuation technique and significant unobservable inputs**

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

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

Notes to the financial statements

13 Intangible assets

(a) *In thousands of Naira*

	Group		Company	
	Purchased Computer Software		Purchased Computer Software	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Cost:				
At January	624,848	542,423	612,484	530,059
Additions	97,453	82,425	97,453	82,425
At 31 December	722,301	624,848	709,937	612,484
Amortisation:				
At January	(451,101)	(365,578)	(443,166)	(361,179)
Amortisation charge	(111,875)	(85,523)	(109,953)	(81,987)
At 31 December	(562,976)	(451,101)	(553,119)	(443,166)
Carrying amount	**159,325**	**173,747**	**156,818**	**169,318**

(i) The intangible assets of the Group is made up of purchased computer software.

	Group		Company	
14 Right of Use (ROU) Asset	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Cost:				
At January	102,152	102,152	102,152	102,152
Additions	-	-	-	-
At 31 December	102,152	102,152	102,152	102,152
Amortisation:				
At January	(30,645)	(20,430)	(30,645)	(20,430)
Amortisation charge	(10,215)	(10,215)	(10,215)	(10,215)
At 31 December	(40,860)	(30,645)	(40,860)	(30,645)
Carrying amount	**61,292**	**71,507**	**61,292**	**71,507**

Notes to the financial statements

15 Group

2022 (In thousands of Naira)	**LAND**	**BUILDINGS**	**FIXTURE & FITTINGS**	**COMPUTER EQUIPMENT**	**MOTOR VEHICLES**	**GENERATOR SETS**	**FURNITURE & EQUIPMENT**	**TOTAL**
Cost / revalued amount								
At 1 January	975,000	533,545	52,479	149,711	581,950	126,976	128,072	2,547,733
Revaluation gains / (loss)	90,500	102,100	-	-	-	-	-	192,600
Additions	50,000	-	361	9,474	80,560	120	155	140,669
At 31 December 2022	**1,115,500**	**635,645**	**52,840**	**159,185**	**662,510**	**127,096**	**128,227**	**2,881,003**
At 1 January	-	118,645	40,982	140,903	486,214	115,900	116,310	1,018,955
Charge for the year	-	-	2,690	8,307	51,417	6,858	2,789	72,060
Disposals	-	-	-	-	-	-	-	-
At 31 December 2022	-	118,645	43,672	149,210	537,632	122,758	119,099	1,091,015
Net book value								
At 31 December 2022	**1,115,500**	**517,000**	**9,168**	**9,975**	**124,878**	**4,338**	**9,128**	**1,789,987**
At 31 December 2021	**975,000**	**414,900**	**11,495**	**8,203**	**96,341**	**11,076**	**11,761**	**1,528,777**

i. The Group had no capital commitments as at year end (31 December 2021: Nil)

ii. The Group's land and buildings were revalued by Ubosi Eleh & Co., (Estate Surveyors and Valuers) with FRC number FRC/2014/NIESV/0000000/3997 and valued on 31 December 2022 by Ubosi Eleh with FRC number FRC/2013/NISEV/00000001493 using both Investment method and Comparative method of valuation to arrive at the open market value. A revaluation gain of N192million has been recognised on the land and building for the year ended 31 December 2022 in the other comprehensive income (OCI).

iii. An impairment review was conducted and no impairment charge as required.

iv. All properties are in the name of Group and have been appropriately perfected.

Company

2022 (In thousands of Naira)	**LAND**	**BUILDINGS**	**FIXTURE & FITTINGS**	**COMPUTER EQUIPMENT**	**MOTOR VEHICLES**	**GENERATOR SETS**	**FURNITURE & EQUIPMENT**	**TOTAL**
Cost / revalued amount								
At 1 January	903,000	348,767	45,040	134,933	556,128	126,976	128,072	2,242,915
Revaluation gains	89,500	100,100	-	-	-	-	-	189,600
Additions	50,000		361	8,920	80,560	120	155	140,115
At 31 December	**1,042,500**	**448,867**	**45,401**	**143,853**	**636,688**	**127,096**	**128,227**	**2,572,631**
Accumulated depreciation								
At 1 January	-	98,867	33,925	130,187	462,267	115,900	116,310	881,548
Charge for the year	-	-	2,601	5,138	50,167	6,858	2,789	67,552
At 31 December 2022	**-**	**98,867**	**36,526**	**135,325**	**512,435**	**122,758**	**119,099**	**1,025,009**
Net book value								
At 31 December 2022	**1,042,500**	**350,000**	**8,875**	**8,528**	**124,253**	**4,338**	**9,128**	**1,547,622**
At 31 December 2021	**903,000**	**249,900**	**11,114**	**4,746**	**93,861**	**11,076**	**11,761**	**1,285,460**

i. The Company had no capital commitments as at year end (31 December 2021: Nil)

ii. The Company's land and buildings were revalued by Ubosi Eleh & Co., (Estate Surveyors and Valuers) with FRC number FRC/2014/NIESV/0000000/3997 and valued on 31 December 2022 by Ubosi Eleh with FRC number FRC/2013/NISEV/00000001493 using both Investment method and Comparative method of valuation to arrive at the open market value. A revaluation gain of N189million has been recognised on the land and building for the year ended 31 December 2022 in other comprehensive income (OCI).

iii. An impairment review was conducted and no impairment was required.

iv. GNI House, Omo Osagie and Afolabi Aina Ikeja are the properties making up Land and Building Assets. All properties are in the name of company and appropriately perfected.

16 Statutory deposit

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2022, in compliance with the Insurance Act, CAP 117 LFN 2004. The amount is interest bearing and it comprises:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
General	300,000	300,000	300,000	300,000
Life	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**
Current	-	-	-	-
Non-current	500,000	500,000	500,000	500,000
	500,000	**500,000**	**500,000**	**500,000**

17 Insurance contract liabilities

In thousands of Naira				
Notified claims (note (a) below)	1,127,353	1,071,578	1,108,316	1,017,921
Claims incurred but not reported (note (a) below)	720,201	694,553	705,929	674,589
Outstanding claims	1,847,554	1,766,131	1,814,245	1,692,510
Unearned premiums (note (b) below)	701,061	610,264	680,220	567,001
Life insurance contract liabilities (note (d) below)	13,907,068	9,636,797	13,907,068	9,636,797
	16,455,683	**12,013,192**	**16,401,533**	**11,896,308**
Current	4,442,492	3,378,462	4,505,226	3,393,325
Non-current	12,013,192	8,634,729	11,896,308	8,502,983
	16,455,683	**12,013,192**	**16,401,533**	**11,896,308**

(i) The gross liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the income statement for the year. The Company's net liability for insurance contracts was tested for adequacy by EY Nigeria, a firm of certified actuaries with FRC number FRC/2012/00000000339. The valuation report was signed by Wise Chigudu with FRC number FRC/2022/PRO/NAS/004/00000024119.

(a) Claims reported and IBNR:

31-Dec-22

The claims reported are analysed below:

In thousands of Naira	Reported outstanding claims 31-Dec-22	Provision for IBNR 31-Dec-22	Total claims 31-Dec-22
General			
General accidents	83,562	66,407	149,969
Fire	19,107	78,683	97,790
Marine	19,067	57,285	76,352
Motor	54,049	2,523	56,572
Oil and gas	7,811	(2,560)	5,251
Employers' liability	13,182	507	13,689
	196,777	202,845	399,622
Life			
Group life	911,539	477,578	1,389,117
Individual life	-	25,506	25,506
	911,539	503,084	1,414,623
Sub Total	**1,108,316**	**705,929**	**1,814,245**
Healthcare	19,037	14,272	33,309
	1,127,353	**720,201**	**1,847,554**

31-Dec-21

The claims reported are analysed below:

In thousands of Naira	Reported outstanding claims 31-Dec-21	Provision for IBNR 31-Dec-21	Total claims 31-Dec-21
General			
General accidents	48,345	28,431	76,776
Fire	20,300	65,955	86,255
Marine	22,196	21,299	43,495
Motor	29,635	15,990	45,625
Oil and gas	8,095	5,891	13,986
Employers' liability	3,476	1,025	4,501
	132,047	138,591	270,638
Life			
Group life	864,951	381,295	1,246,246
Individual life	20,923	154,703	175,626
	885,874	535,998	1,421,872
Sub Total	**1,017,921**	**674,589**	**1,692,510**
Healthcare	53,657	19,964	73,621
	1,071,578	**694,553**	**1,766,131**

General *In thousands of Naira*	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross provision for outstanding claims	196,777	132,047	196,777	132,047
Provision for IBNR	202,845	138,591	202,845	138,591
Provision for outstanding claims - closing	399,622	270,638	399,622	270,638
Provision for outstanding claims - opening	(270,638)	(222,679)	(270,638)	(222,679)
Decrease/(increase) in provision for outstanding claims	128,985	47,959	128,985	47,959

Life *In thousands of Naira*	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross provision for outstanding claims	911,539	885,874	911,539	885,874
Provision for IBNR	503,084	535,998	503,084	535,998
Provision for outstanding claims - closing	1,414,623	1,421,872	1,414,623	1,421,872
Provision for outstanding claims - opening	(1,421,872)	(1,726,853)	(1,421,872)	(1,726,853)
Increase in provision for outstanding claims	(7,249)	(304,981)	(7,249)	(304,981)
Healthcare				
Gross provision for outstanding claims	19,037	53,657	-	-
Provision for IBNR	14,272	19,964	-	-
Provision for outstanding claims - closing	33,309	73,621		
Provision for outstanding claims - opening	(73,621)	(63,163)	-	-
Decrease in provision for outstanding claims	(40,312)	10,458		
Decrease/(increase) in provision for outstanding claims	**81,424**	**(246,565)**	**121,736**	**(257,022)**

S/N	Days	No. of Claimants	Amount =N=
1	0-90 days	7	53,264,086
2	91-180 days	46	212,996,158
3	181-270 days	18	33,464,334
4	271-365 days	16	25,257,015
5	Above 365	576	783,334,489
	TOTAL	**663**	**1,108,315,632**

ANALYSIS OF OUTSTANDING CLAIMS BY REASONS

	REASON	0-90 DAYS		91 -180 DAYS		181 -270 DAYS		271 -365 DAYS		ABOVE 365 DAYS		TOTAL	
S/N		QTY	₦	QTY	₦	QTY	₦	QTY	₦	QTY	₦	QTY	₦
1	DISCHARGED VOUCHER SIGNED AND RETURNED FROM POLICYHOLDERS			3	27,816,850.26	2	1,752,750.00	3	3,513,944.55				33,083,544.81
2	DISCHARGED VOUCHER NOT YET SIGNED	2	48,685,243.00	11	6,748,575.14					45	28,090,187.23		83,524,005.37
3	CLAIMS REPORTED OUT INCOMPLETE DOCUMENTATION	1	439,108.25			28	130,555,480.51	30	86,948,676.97	516	750,683,716.79		968,626,982.52
4	CLAIMS REPORTEDBUT BEING ADJUSTED												-
5	CLAIM REPUDIATED									1	2,500.00		2,500.00
6	AWAITING ADJUSTER FINAL REPORT									21	23,078,600.00		23,078,600.00
	TOTAL	**3**	**49,124,351.25**	**14**	**34,565,425.40**	**8**	**132,308,230.51**	**9**	**90,462,621.52**	**311**	**801,855,004.02**	**345**	**1,108,315,632.70**

(b) (i Unearned premium comprises:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
General				
Fire	100,263	99,837	100,263	99,837
General accidents	128,229	80,427	128,229	80,427
Motor	130,653	116,280	130,653	116,280
Marine	20,851	32,089	20,851	32,089
Employer's liability	-	-	-	-
Bond	504	194	504	194
Oil and Gas	13,984	33,023	13,984	33,023
	394,484	361,851	394,484	361,851
Life				
Group life fund	285,736	205,150	285,736	205,150
Individual life fund	-	-	-	-
	285,736	205,150	285,736	205,150
Healthcare	20,841	43,263	-	-
	20,841	43,263	-	-
	701,061	610,264	681,454	567,001

(ii) Unearned premium reserve UPR during the year was as follows:

In thousands of Naira	General Business	Group Life	Healthcare	Combined
Unearned Premium	342,763	285,736	20,841	650,290
Additional UPR	51,721	-	-	52,004
At 31 December	394,484	285,736	20,841	702,295

(c) The movement in unearned premim reserve UPR during the year was as follows:

2022

In thousands of Naira	General	Group Life	Health Care	Combined
At 1 January	361,851	205,150	43,263	610,264
Increase/(decrease) provision in unearned premium reserve	32,633	80,586	(22,422)	92,031
At 31 December	394,484	285,736	20,841	702,295

2021

In thousands of Naira	General	Group Life	Health Care	Combined
At 1 January	267,530	242,692	68,583	578,805
Increase/(decrease) provision in unearned premium reserve	94,321	(37,542)	(25,320)	31,459
At 31 December	361,851	205,150	43,263	610,264

(d) ***Life fund***

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Individual life fund	70,057	141,856	70,057	141,856
Annuity	13,837,011	9,494,941	13,837,011	9,494,941
	13,907,068	9,636,797	13,907,068	9,636,797

(d)(i) The movement in life fund during the year was as follows:

2022

In thousands of Naira	Individual Life	Group Life	Annuity	Total
At 1 January	141,856	-	9,494,941	6,043,229
Payments made to policy holders in the year	(272,121)	-	(1,778,821)	(2,050,943)
Contributions during the year	262,067	-	7,973,154	8,235,221
Decrease provision in life fund	(61,745)	-	(1,852,263)	(1,914,007)
At 31 December	70,057	-	13,837,011	13,907,068

2021

In thousands of Naira	Individual Life	Group Life	Annuity	Total
At 1 January	155,928	-	9,494,941	6,043,229
Payments made to policy holders in the year	(269,457)	-	(1,149,333)	(1,418,789)
Contributions during the year	10,587	-	6,074,441	6,085,028
Increase (decrease) provision in life fund	244,798	-	(4,925,108)	(4,680,310)
At 31 December	141,856	-	9,494,941	9,636,797

18 Investment contract liabilities

(a) At amortised cost

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Deposit administration	523,064	470,564	523,064	470,564
Guaranteed interest (note (c) below)	16,370	8,654	16,370	8,654
	539,434	479,218	539,434	479,218
Individual deposit administration	465,835	405,619	465,835	405,619
Group deposit administration	73,599	73,599	73,599	73,599
	539,434	479,218	539,434	479,218
Current	-	-		
Non-current	539,434	479,218	539,434	479,218
	539,434	479,218	539,434	479,218

(b) The movement in investment contract liabilities during the year was as follows:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	479,218	450,535	479,218	450,535
Additions during the year	241,318	269,813	241,318	269,813
Interest capitalised	16,370	8,654	16,370	8,654
Withdrawals	(197,472)	(249,784)	(197,472)	(249,784)
At 31 December	539,434	479,218	539,434	479,218

(c) Guranteed interest on investment contracts represents interest which accrues to the account of investment contract holders. All these contracts are designated as financial liabilities and measured at amortised cost.

(d) **Investment Contract Revenue Account**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Impact of actuariation valuation	(6,736)	-	(6,736)	-
Interest income	39,473	47,410	39,473	47,410
Interest expense capitalised	(16,370)	(8,654)	(16,370)	(8,654)
At 31 December	16,367	38,756	16,367	38,756

19 Trade payable

Trade payable comprises liabilities due to agents, brokers and re-insurance companies

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Due to reinsurers	9,781	9,781	9,781	9,781

All trade payables are deemed as current

20 Retirement benefit obligation

This represents the balance of the Company's accruals for gratuity to be paid to its employees on exit from the Company based on its gratuity scheme which was discontinued in 2010. The gratuity scheme is solely funded by the Company. No valuation was carried out on this balance as the scheme was discontinued in 2010.

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	1,722	1,722	1,722	1,722
At 31 December	**1,722**	**1,722**	**1,722**	**1,722**

21 Lease liability

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	35,874	31,195	35,874	31,195
Interest expense on lease liability (see note 41c)	5,381	4,679	5,381	4,679
At 31 December	**41,255**	**35,874**	**41,255**	**35,874**

Lease liability interest expense is in respect of finance lease on Alaga building for the operational use of the organition recognised for a period of ten (10) years.

22 Loans and borrowings

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	-	-	-	-
Initial Recognition	600,000	-	600,000	-
Accrued Interest on finanace obligation (see note 41c)	79,110	-	79,110	
At 31 December	**679,110**	-	**679,110**	-

Finance lease obligation is in respect of borrowings from Wema Bank for operational use with accrued interest for the period.

23 Provisions and other payables

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Accrued Supervisory fees	102,421	83,821	102,421	83,821
Deferred commission Income (note (e) below)	33,082	32,739	33,082	32,739
Intercompany Payable	-	29,499	29,499	29,499
Payable to WEMA Bank Group	4,508	4,508	4,508	4,508
Pension payables	355	136	-	-
Withholding tax payable	3,180	380	3,180	380
Other payables (note (a) below)	347,395	266,822	344,669	255,908
Claims fund (note (b) below)	152,669	152,669	152,083	152,083
Sundry creditors (note (a) below)	76,948	77,477	75,877	75,655
Other creditors (note (c) below)	444,816	444,098	443,583	444,097
Rent received in advance	11,065	9,165	5,389	9,165
	1,176,439	1,101,315	1,194,291	1,087,856
Provision for pending litigations (note (d) below)	62,716	48,841	58,691	43,190
	1,239,155	**1,150,157**	**1,252,982**	**1,131,046**
Current	894,632	794,741	890,673	783,826
Non-current	344,523	355,416	362,310	347,220
	1,239,155	**1,150,157**	**1,252,982**	**1,131,047**

(a) Amount above includes N88m payables such as quaterly year end expenses yet to be paid for in the period under review.All expenses have been accrued for in line with expense recognition policy.

(b) Claims fund represents claims recovered from co-insurers on the fire affected property of the company at 47/49 Martins Street, Lagos Island, Lagos.

(c) This represents unclaimed cheques issued on various schemes as at the year end.

(d) The amount represents provision for pending litigations made by the Company's customers as at year end. The Company has made a provision based on customers' litigations that the Company is aware it can not avert. The estimate has been advised by the Company's Solicitors or as declared in judgement by the Court. The realization timing of the above provisions cannot be reliably estimated as at year end, accordingly, they are not discounted for time value of money.

(e) **Deferred Reinsurance commission**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	**32,739**	**32,738.53**	**32,739**	22,021
Additions during the year	125,535	105,823	125,535	116,540
Amortised during the year	(125,191)	(105,823)	(125,191)	(105,823)
	33,082	**32,739**	**33,082**	**32,739**

24 Deferred tax assets and liabilities

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.

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Liabilities:				
Investment properties	626,077	492,935	620,405	492,935
Property, plant and equipment	99,317	133,142	105,021	127,470
Deferred tax liabilities	725,394	626,077	725,426	620,405
Net Deferred tax liabilities	**725,394**	**626,077**	**725,426**	**620,405**

Group

The movement in temporary differences recognised during the year ended 31 December 2022 is as follows:

In thousands of Naira	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	At 31 December
Property, plant and equipment	133,142	(91,606)	57,780	99,317
Investment properties	492,935	133,142	-	626,077
	626,077	41,537	57,780	725,394

Company

The movement in temporary differences recognised during the year ended 31 December 2022 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	127,470	-	56,880	105,021
Investment properties	492,934	48,141	-	620,405
	620,404	48,141	56,880	725,426

Group

The movement in temporary differences recognised during the year ended 31 December 2021 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	14,015	(13,442)	132,570	133,142
Investment properties	304,825	188,110	-	492,935
	318,840	174,667	132,570	626,077

Company

The movement in temporary differences recognised during the year ended 31 December 2021 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	13,026	(13,026)	127,470	127,470
Investment properties	291,182	201,752	-	492,934
	304,208	188,726	127,470	620,404

Unrecognized deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has not recognised some deferred tax assets as the reoverability assessment carried reviewed that it is probable that taxable profit may not be available in the near future against which the Group can utilise benefits therefrom.

Unrecognised deferred tax asset for the Group was N1.083billion (2021: N2.479billion) and for the Company N1.083billion (2021: N2.479billion). The deferred tax assets relates to unutilized capital allowances and unrelieved tax losses. Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group and Company can use the benefits therefrom.

25 Taxation

(a) Current income tax liabilities

The movement in this account during the year was as follows:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	55,486	139,654	50,027	133,408
Payments during the year	(40,123)	(105,941)	(40,023)	(103,621)
Current year tax expense (note (b) below)	16,291	16,375	15,865	15,522
Minimium Tax (note (b) below)	11,827	5,399	10,784	4,719
At 31 December	**43,482**	**55,486**	**36,653**	**50,027**
	43,482	**55,486**	**36,653**	**50,027**

25(b) Tax expense for the year comprises;

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Minimum tax	11,827	5,399	10,784	4,719
Corporate income tax charge	-	-	-	-
Tertiary Education tax	4,644	669	4,277	-
Information Technology levy	11,581	15,629	11,523	15,446
Police Trust Fund	66	77	66	76
Current income tax	16,291	16,375	15,865	15,522
Originating from timing temporary difference	41,537	188,728	48,141	188,728
Income tax expense	**57,828**	**205,102**	**64,006**	**204,250**
Total tax charge for the year	**69,655**	**210,501**	**74,790**	**208,968**

i **Effective tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Group

In thousands of Naira

	31-Dec-22		31-Dec-21	
Profit before tax	808,460	100%	1,279,814	100%
Tax using domestic tax rate	242,538	30%	383,944	30%
Non deductible expenses	89,475	11%	84,795	7%
Non taxable income	(387,150)	-48%	(370,506)	-29%
Current year losses for which no deferred tax asset is recognised	96,674	12%	90,495	7%
Police Trust Fund	66	0%	77	0%
Tertiary Education tax	4,644	1%	669	0%
Information technology levy	11,581	1%	15,629	1%
	57,828	7%	205,102	16%

ii **Effective tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Company

In thousands of Naira	31-Dec-22		31-Dec-21	
		%		%
Profit/(loss) before tax	803,466		1,278,136	
Tax using domestic tax rate	241,040	30%	383,441	30%
Non deductible expenses	89,987	11%	82,001	6%
Non taxable income	(386,164)	-48%	(370,273)	-29%
Current year losses for which no deferred tax asset is recognised	103,278	13%	93,560	7%
Police trust fund tax	66	0%	76	0%
Tertiary education tax	4,277	1%	-	0%
Information technology levy	11,523	1%	15,446	1%
	64,006	-23%	204,250	-15%

26 **Share Capital**

Share capital comprises:

	In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
(a)	Authorized:				
	Ordinary shares of 50k each:				
	General business 7,000,000,000 units	3,500,000	3,500,000	3,500,000	3,500,000
	Life business 4,000,000,000 units	2,000,000	2,000,000	2,000,000	2,000,000
	Composite business 11,000,000 units	5,500,000	5,500,000	5,500,000	5,500,000
	Issued and fully paid:				
	Ordinary shares of 50k each:				
	General business 2,585,984,380 units	1,292,982	1,292,982	1,292,982	1,292,982
	Life business 1,241,500,000 units	620,760	620,760	620,760	620,760
	Composite business 3,827,484,380 units	**1,913,742**	**1,913,742**	**1,913,742**	**1,913,742**

27 **Share premium**

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

28 **Contingency reserve**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	1,415,256	1,244,966	1,415,256	1,244,966
Transfer from retained earnings	144,667	170,290	144,667	170,290
At 31 December	**1,559,923**	**1,415,256**	**1,559,923**	**1,415,256**

In compliance with Section 21 (1) of Insurance Act CAP I17 LFN 2004, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

29 **Accumulated losses**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	(1,455,992)	(2,352,146)	(1,347,586)	(2,246,456)
Profit / (loss) for the year	737,075	1,066,444	728,677	1,069,168
Transfer to contigency reserve (see note 27 above)	(144,666)	(170,290)	(144,666)	(170,290)
At 31 December	**(863,584)**	**(1,455,992)**	**(763,583)**	**(1,347,586)**

30 **Fair value reserve**

Fair value reserve represents gain on unquoted equites

Fair value reserve comprises *In thousands of Naira*	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	380,461	372,405	380,461	372,405
Fair value gain	-	8,055	-	8,055
At 31 December	**380,461**	**380,461**	**380,461**	380,461

31 **Asset revaluation reserve comprises**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	998,219	689,461	915,793	618,365
Revaluation gain	192,600	441,900	189,600	424,900
Tax on revaluation of property	(57,780)	(130,237)	(56,880)	(127,470)
Non-controlling interest	(513)	(2,905)	-	-
At 31 December	**1,132,526**	**998,219**	**1,048,511**	**915,793**

32 Non-controlling interest (NCI) in Subsidiary

The following summarises the information relating to the group subsidiary that has material NCI

(a) *In thousands of Naira*	**31-Dec-22**	**31-Dec-21**
NCI percentage	**17.09%**	**17.09%**
	N'000	**N'000**
Total Asset	412,219	471,256
Total Liabilities	(108,961)	(180,225)
Net Assets	303,257	291,031
Carrying amount of NCI	**51,827**	**49,737**
Revenue	201,052	262,670
Profit	10,127	16,788
Profit allocated to NCI	**1,731**	**2,869**

Summary of Subsidiary Cashflow for the period

(b) *In thousands of Naira*	**31-Dec-22**	**31-Dec-21**
Cash generated from operations	4,066,865	3,077,207
Cash from Investing activities	1,696,105	(2,262,900)
Cash generated from financing activities	600,000	-
Net increase in cash and cash equivalent	**6,362,970**	**814,307**
Effect of exchange rate fluctuation on cash held	3,756	7,823
Cash and cash equivalents at beginning of year	7,164,788	6,342,658
Cash and cash equivalents at end of year	13,531,514	7,164,788

33 Gross premium written

Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period.

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
General business				
Fire	250,526	266,831	250,526	266,831
General accident	230,836	229,733	230,836	229,733
Employers' liability	-	52	0	52
Engineering	100,070	37,332	100,070	37,332
Marine	108,443	141,856	108,443	141,856
Bond	1,323	305	1,323	305
Oil and gas	100,288	131,163	100,288	131,163
Motor	261,913	250,971	261,913	250,971
	1,053,399	1,058,243	1,053,399	1,058,243
Life business				
Individual Life	262,067	280,399	262,067	280,399
Group life	938,130	955,524	938,130	955,524
Annuity	7,973,154	6,074,441	7,973,154	6,074,441
	9,173,351	7,310,364	9,173,351	7,310,364
GNI Healthcare	178,630	237,350	-	-
Group premium written	**10,405,380**	**8,605,957**	**10,226,750**	**8,368,607**

33a(i) Net insurance premium revenue

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Short-term insurance contracts:				
– Gross premium	10,405,380	8,605,957	10,226,750	8,368,607
Changes in unearned premium	(90,797)	(31,459)	(113,219)	(56,779)
Premium revenue arising from insurance contracts issued	10,314,583	8,574,498	10,113,531	8,311,828
Short-term reinsurance contract:				
– Reinsurance Expenses	(593,389)	(550,884)	(593,389)	(550,884)
Net premium revenue ceded to reinsurers on insurance contracts issued	(593,389)	(550,884)	(593,389)	(550,884)
Net insurance premium revenue	**9,721,194**	**8,023,614**	**9,520,142**	**7,760,944**

33a(ii) Movement in reinsurance expenses during the year was as follows:

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Reinsurance Cost	(592,040)	(522,302)	(592,040)	(522,302)
Increase/Decrease in Prepaid Reinsurance	(1,349)	(28,582)	(1,349)	(28,582)
At 31 December	(593,389)	(550,884)	(593,389)	(550,884)

33b Cash premium received

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross trade receivable at 1 January	85,544	105,554	1,154	6,989
Gross premium written during the year	10,405,380	8,605,957	10,226,750	8,368,607
Gross trade receivable at 31 December	(99,018)	(85,544)	(3,921)	(1,154)
Cash premium received	10,391,906	8,625,967	10,223,983	8,374,442

34 Commission income

In thousands of Naira				
– Insurance contracts	125,191	105,823	125,191	105,823

35 **Net claims and benefits expenses**

Insurance claims and loss adjustment expenses

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross benefits & claims paid	3,698,716	2,735,569	3,537,812	2,596,342
Gross changes in outstanding claims	81,424	(246,565)	121,736	(257,022)
	3,780,140	2,489,004	3,659,548	2,339,320
Recoverable from re-insurance	(312,789)	(182,907)	(312,789)	(182,907)
Net claims and benefits expenses	3,467,351	2,306,097	3,346,759	2,156,413

(i) Gross Change in outstanding claims	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Movement in outstanding claims	55,776	(9,350)	90,396	(905)
Movement in IBNR	25,648	(258,130)	31,340	(256,117)

(ii) Recoverable from re-insurance

Reinsurance recovery	(229,339)	(163,032)	(229,339)	(163,032)
Movement in reinsurance share of Outstanding claims & IBNR	(83,450)	(19,875)	(83,450)	(19,875)
As at 31 December	(312,789)	(182,907)	(312,789)	(182,907)

(iii) Changes in life funds

Changes in life funds	71,799	14,072	71,799	14,072
Changes in Annuity fund (see note 17d(i))	(4,342,070)	(3,607,640)	(4,342,070)	(3,607,640)
As at 31 December	(4,270,271)	(3,593,568)	(4,270,271)	(3,593,568)

36 **Business acquisition expenses**

In thousands of Naira				
General Business	168,400	170,164	168,400	170,164
Life business	503,098	280,527	503,098	280,527
Health Insurance	10,331	14,814	-	-
	681,829	465,505	671,498	450,691

37 **Maintenance cost**

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Costs incurred for the maintenance of general insurance contracts	38,039	22,463	38,039	22,463
Costs incurred for the maintenance of life insurance contracts	57,307	68,431	57,307	68,431
	95,346	90,895	95,346	90,895

38 **Investment income**

In thousands of Naira				
Dividend income	25,012	14,851	25,012	14,851
Interest income	1,395,268	621,501	1,390,270	615,642
Rental income	37,478	33,449	34,750	30,542
	1,457,759	669,801	1,450,033	661,035

(a) **Interest received**

In thousands of Naira				
Interest income on investment	1,395,268	621,501	1,390,270	615,642
Interest income on investment contracts	39,473	47,410	39,473	47,410
Interest receivable	(12,952)	(18,922)	(12,952)	(18,922)
Interest received during the year	1,421,789	649,988	1,416,791	644,129

(b) **Rent received**

In thousands of Naira				
Opening balance of rent receivable at 1 January	146,663	140,964	146,663	140,614
Rental income for the year	37,478	33,449	34,750	30,542
Rent received in advance	11,065	9,165	5,389	9,165
Balance of rent receivable at 31 December	(146,842)	(143,325)	150,180	146,663
Rent received during the year	48,364	40,253	336,982	326,984

39 **Net fair value gains/(losses) on assets measured at fair value through profit or loss**

In thousands of Naira				
Net fair value gains/(losses) on FVTPL financial assets	(279,041)	(15,721)	(279,041)	(15,721)
Fair value gains on investment properties	160,585	629,092	160,585	629,092
	(118,456)	613,371	(118,456)	613,371

40 Other operating income

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit on disposal of assets (see note 40(i) below)	-	594	-	-
Foreign exchange gains (see note 40(ii) below)	3,756	7,823	3,756	7,823
Other income (see note 41d below)	8,341	18,297	8,341	18,297
	12,097	26,714	12,097	26,120

40(i) Profit on disposal of asset

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cost of assets	-	(2,417)	-	-
Accummulated depreciation	-	1,812	-	-
Proceeds	-	1,198	-	-
Profit on disposal	-	594	-	-

40(ii) Exchange gains of N3.7million represents net foreign exchange gains on the Company's investments and bank balances during the year. The National Autonomous Foreign Exchange (NAFEX) rates for United States Dollar and Pounds Sterling to Nigerian Naira as at year end were N461/$1 and N500/£1 respectively.

40(iii) Other income above includes N15m credits agency loan balances on paid matured claims.

41 Management expenses

Management expenses comprise of:

(a) Employee benefit expense

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Wages and salaries	427,472	423,145	407,354	397,493
Pension costs – defined contribution plans	23,527	24,701	22,198	23,686
Other benefits	75,117	145,202	63,141	134,529
	526,116	593,048	492,693	555,708

(b) Other operating expenses

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Depreciation (note (i) below)	72,060	81,783	67,552	75,909
Amortisation of intangible assets	111,875	85,523	109,953	81,987
Amortisation of ROU assets	10,215	10,215	10,215	10,215
Auditor's remuneration (note (iii) below)	23,780	23,605	19,780	20,155
Bank charges	25,527	21,372	25,527	21,372
Directors' fees and expenses	15,870	15,120	9,720	9,820
Repairs & maintenance expense	84,050	42,785	83,179	41,465
Travel and representation	75,813	57,976	75,813	57,976
Advertising cost	35,750	33,425	35,750	33,425
Occupancy expenses	22,782	23,609	22,782	22,909
Motor vehicle running expenses	60,526	46,023	60,526	46,023
Fees and assessment	85,898	79,873	79,020	75,754
Office supply and stationery	19,796	12,934	19,796	12,934
Communication and postages	46,697	36,837	46,697	36,837
Legal & other charges	228,431	231,303	227,506	227,943
Professional Fees	105,000	105,000	105,000	105,000
Insurance expense	28,848	17,409	26,874	16,930
Other overhead & administrative expenses (see (ii))	227,152	129,348	215,782	97,861
	1,280,070	1,054,140	1,241,472	994,515
Management expenses	**1,806,186**	**1,647,188**	**1,734,165**	**1,550,223**

(i) Included in depreciation is the reversal of accumulated depreciation of asset on disposal.

(ii) Other overhead and adminstrative expenses represents general expenses incurred by the Company during the period. This includes office expenses, stationary expenses and AGM expenses e.t.c

(iii) Auditor’s remuneration represents fees for the Group and Company for the year ended 31 December 2022. The Company also paid the auditors professional fees for non-audit service. This service, in the Company’s opinion, did not impair the independence and objectivity of the external auditor.

Non-audit service provided during the year are stated below.

Name of firm	Services Rendered	Amount =N=
KPMG Professional Services	Tax Advisory Services	2,500,000

41(c) Finance Cost

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest Expense	84,490	4,679	84,490	4,679
	84,490	**4,679**	**84,490**	**4,679**

Description of Finance cost

In thousands of Naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest expense on lease liability (see note 21)	5,381	4,679	5,381	4,679
Accrued Interest on loans and borrowings (see note 22)	79,110	-	79,110	-
	84,491	**4,679**	**84,491**	**4,679**

(d) Cashflow from other operating activities

In thousands of Naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Other operating expenses	(1,364,560)	(1,058,819)	(1,325,962)	(999,194)
Adjustment for items not involving movement of cash:				
Changes in unearned premium and life fund	(46,610)	953,282	(432,394)	652,845
Interest expense capitalised on investment contract liability	16,370	8,654	16,370	8,654
Depreciation and amortization expense	194,150	177,521	187,720	168,111
Impairment loss	218	90,333	(621)	81,444
Sundry income/ (loss)	(8,341)	(18,297)	(8,341)	(18,297)
Fair value (gains)/losses on Investment properties and financial assets	118,456	(613,371)	118,456	(613,371)
Changes in insurance contract liabilities- IBNR	25,648	(258,130)	31,340	(256,117)
Decrease in other receivable	(33,818)	(225,834)	(5,970)	(204,451)
Changes in outstanding claims	55,776	9,350	90,396	905
Changes in reinsurance share of insurance liabilities- IBNR and Outstanding claims	(83,450)	(19,875)	(83,450)	(19,875)
Increase / (decrease)in other payables	75,123	(12,649)	106,436	(14,183)
	(1,051,039)	(967,837)	(1,306,021)	(1,213,529)

(e) Net cash on deposit Administration contracts

In thousands of Naira				
Receipt on investment contract liabilities	241,318	269,813	241,318	269,813
Withdrawals and maturities	(197,472)	(249,784)	(197,472)	(249,784)
	43,846	20,029	43,846	20,029

42 Impairment gain/(losses)

In thousands of Naira				
Allowance charge to impairment - Life Business	(23,529)	(40,746)	(23,529)	(40,746)
Allowance charge to impairment - General Business	24,150	(49,586)	24,150	(40,697)
Allowance of impairment - GNI Healthcare	(839)	-	-	-
Net impairment gains/ (losses_	(218)	(90,333)	621	(81,444)
Impairment reversal / (charge) on cash and cash equivalents	(29,555)	28,866	(29,555)	28,866
Impairment charge on financial assets	2,553	(76,015)	2,553	(76,015)
Impairmrnt on trade recievables expected credit loss	(839)	-	-	-
Impairment charge on reinsurance asset	-	(47,235)	-	(47,235)
Write back of impairment of investment in subsidiary	1,046	-	1,046	8,889
Writeback /(charge) of Impairment on other receivables	26,577	4,050	26,577	4,050
	(218)	**(90,333)**	**621**	**(81,444)**

43 Earnings per share

Basic diluted earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	Group 31-Dec-22	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Earnings attributable to equity holders (N'000)	737,075	1,066,444	728,677	1,069,168
Weighted average number of ordinary shares in issue ('000)	3,827,485	3,827,485	3,827,485	3,827,485
Basic earning per share (Kobo per share)	19	28	19	28

44 Employees, including executive directors earning more than N500,000 per annum received salaries in the following range:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
	Number	Number	Number	Number
N500,001 - N1,000,000	4	3	4	3
N1,000,001 - N1,500,000	13	17	12	14
N1,500,001 - N2,000,000	24	30	21	27
N2,000,001 - N2,500,000	8	8	7	7
N2,500,001 - N3,000,000	3	3	3	2
N3,000,001 - N3,500,000	10	10	9	9
N3,500,001 - N4,000,000	6	6	6	6
N4,000,001 - N4,500,000	7	7	7	7
N4,500,001 - N5,000,000	2	2	1	1
N5,000,001 - N5,500,000	2	1	2	1
N5,500,001 - N6,000,000	6	5	5	5
N6,000,001 and above	11	18	9	16
	96	**110**	**86**	**98**

(a) The average number of full time employees employed by the Group during the year was as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
	Number	Number	Number	Number
Management staff	11	18	9	16
Senior staff	17	76	15	68
Junior staff	68	16	62	14
	96	**110**	**86**	**98**

(b) **Directors' remuneration:**

i Remuneration paid to the directors of the Group (excluding pension contribution and certain benefits) was as follows:

In thousands of Naira

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Directors fees	17,061	17,061	15,747	15,747
Salaries	52,000	52,000	52,000	52,000
	69,061	**69,061**	**67,747**	**67,747**

ii The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

In thousands of Naira

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Chairman	4,579	4,579	4,579	4,579
Highest paid director	45,000	30,000	45,000	30,000

Other directors whose duties were wholly or mainly performed in Nigeria, received emoluments (excluding pension and other benefits) in the following ranges:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
	Number	Number	Number	Number
N1,400,001 - N1,500,000	-	-	-	-
N1,700,001 - N1,800,000	-	-	-	-
Above N1,800,000	3	3	3	3
	3	3	3	3

45 Actuarial valuation

(a) The latest available actuarial valuation of the life business was performed as at 31 December 2022. The book value of the life funds as at that date was nil over its net actuarial liabilities. The valuation of the Company's life business funds as at 31 December 2022 was carried out by EY Nigeria Limited (consultants and actuaries). The valuation was done on the following principles:

(b) For all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted. Reserves were calculated via a monthly cash flow projection approach, taking into account future office premiums, expenses and benefit payments. Future cash flows were discounted back to the valuation date at the valuation rate of interest which is 12.5%.

(c) The reserve for individual deposit administration policies has been taken as the amount standing to the credit of the policyholder at the valuation.

(d) An unearned premium reserve was included for Group Life policies. An allowance was made for Incurred But Not Reported claims to take care of delay in reporting claims.

(e) For individual life policies, the valuation age has been taken as the Age Last Birthday at the valuation date. The outstanding premium paying term has been calculated as the year of maturity minus expired duration. In all cases, an allowance has been made for premiums due between the valuation date and the next policy anniversary.

(f) The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

(g) No specific adjustment has been made for immediate payment of claims.

(h) No specific adjustment has been made for expenses after premiums have ceased in the case of limited payment policies.

(i) The UK's Mortality of Assured Lives table (A6770) was used in the valuation.

46 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one party controls both. The definition includes parents, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel

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

Detailed below are the transactions the Group entered into with its related parties during the year.

In thousands of Naira		**2022 31-Dec**	**2021 31-Dec**
Sales of insurance contracts by GNI Healthcare Limited:	***Relationship***		
Premium	Great Nigeria Insurance Plc	5,820	5,763
Premium	Key Management Personnel	15,601	-
Receivables (expected from the company in the normal course of business)			
GNI Healthcare Limited	Subsidiary	29,499	29,499
Payables (incurred on behalf of the company in the normal course of business)			
GNI Healthcare Limited	Subsidiary	25,621	25,621
Key management personnel compensation for the year comprises:			
Short term employee benefit		1,722	1,722

47 Contravention of circulars, guidelines and regulations

The Group paid the following penalties during the year:

Nature of Contravention	**Penalty N'000**	**Regulatory body**	**Status**
Late submission of 2018/2019 Audited Financials	8,075	SEC	Paid
Late submission of 2020 Audited Financials	8,075	SEC	Paid

48 Subsequent events

There were no events after the reporting date that have a material effect on the financial statements of the Group that have not been provided for or disclosed in these financial statements.

49 Litigations and claims

There were 11 suits involving the company which were pending before the courts out of which 5 were instituted by the company and 6 were instituted against the company. The total claims against the company is N108m while the total claim by the company is N57m. The directors having sought professional legal counsel have made necessary provision for the ones that the Directors are of the opinion that may crystalize (See note 23d). No additional provisions is deemed necessary for the other legal claims.

Included in the cases above is a case involving the group, a bank and a customer. GNI had issued bond (guarantee) insurance policy worth N100 million to the customer for a contract financed through a loan facility from the bank in 2009. The customer had purportedly defaulted on the loan repayment and necessitated the bank to call in the bond guarantee from GNI. Due to disagreements between the group and the bank, a case was instituted by the bank at the Lagos State High Court against GNI. The judgement was delivered on 19 December 2020 and the sum of N150 million was awarded against the Group based on the tenure of the judgement. On 20 December 2019, the Group appealed the case at the Court of Appeal, Lagos on the grounds that the main contract with the customer had been varied as the facility was expended on another product other than the product stipulated in the contract document. The management of the Group sought legal opinion on the matter and, based on the solicitor's opinion, concluded that the Group had very good chances of success at the appeal court based on the facts of the case. In view of this, no provision has been made for the claim.

50 Financial Risk Management

(a) Introduction and Overview

This note presents information about the Group's exposure to different types of risks; the objectives, systems, policies and processes for identifying, measuring and managing risks; and the Group's management of capital. The Group's activities exposes it to a variety of risks, and those activities principally involve creation of financial assets and liabilities. Great Nigeria Insurance recognizes the role of responsible risk management practices in achieving her strategic vision of being one of the leading insurance companies in Nigeria. In light of this, the Group has a well established risk management framework and an experienced risk team. The Group's aim is therefore to achieve an appropriate balance between risk and return, and minimise potential adverse effects on the Group's financial performances. As part of the Group's investment strategy to reduce both insurance and financial risk, the Group matches its investments' duration with the expected duration of liabilities arising from insurance and investment contracts, by reference to the type of benefits payable to contract holders.

Risk management framework

The Group's risk management philosophy is premised on the belief that aggressive and yet guarded risk attitude will ensure sustainable growth in shareholders value and corporate reputation. Effective risk management is critical to any insurance Group for achieving financial soundness and stability. In view of this, aligning risk management to the Group's organizational structure and business strategy has become integral part of our business.

To this end, the Board and Management are committed to establishing and sustaining tested practices in risk management. Specifically, the Board has established a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies and practices. Also the Management recently established the Risk Management Unit, with responsibility to ensure that risk management processes are implemented in compliance with policies approved by the Board. The Risk Management Unit reports directly to Board's Risk Management committee. The Board of Directors determines the Group's goals in terms of risk by issuing a risk policy. The policy both defines acceptable levels of risk for day-to-day operations, as well as the willingness of the Group to incur risk, weighed against the expected rewards. The Group's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks inherent in its business activities. It is also intended to create a culture of risk awareness and personal responsibility throughout the Group.

The Group's risk management architecture is carefully crafted to balance corporate oversight with well-defined risk management functions which fall into one of three categories where risk must be managed: lines of business, governance and control and corporate audit. The Board of Directors and management of the Group are committed to constantly establishing, implementing and sustaining tested practices in risk management to match those of leading international insurance companies. We are convinced that the long-term sustainability of our Group depends critically on the proper governance and effective management of our business. As such, risk management occupies a significant position of relevance and importance in the Group.

The risk policy is detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market, liquidity, insurance, price and operational risks. The evolving nature of risk management practices and the dynamic character of the insurance industry necessitate regular review of the effectiveness of each enterprise risk management component. In light of this, the Group's ERM Framework is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in either or both of the following ways: via continuous self-evaluation and monitoring by the risk management and compliance functions in conjunction with internal audit; and through independent evaluation by external auditors, examiners and consultants.

The Group's management has primary responsibility for risk management and the review of the ERM Framework and to provide robust challenge based on quantitative and qualitative metrics. All amendments to the Group's ERM Framework require Board approval. The risk management division is responsible for the enforcement of the Group's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

(b) ***Risk Management Philosophy, Culture, Appetite and Objectives***

Risk Management Philosophy and Culture

Risk management is at the core of the operating structure of the Group. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

Risk management is integral to the Group's decision-making and management process. It is embedded in the role of all employees via the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Great Nigeria Insurance Plc considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how the Group considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Group's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

Risk Appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk Great Nigeria Insurance Plc is willing to accept in pursuit of its strategy, duly set and monitored by the executive committee and the Board, and integrated into our strategy, business, risk and capital plans. Risk appetite reflects the Group's capacity to sustain potential losses arising from a range of potential outcomes under different stress scenarios.

The Group defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. Our risk appetite can be expressed in terms of how much variability of return the Group is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. We measure and express risk appetite qualitatively and in terms of quantitative risk metrics. The quantitative metrics include earnings at risk (or earnings volatility) and, related to this, the chance of regulatory insolvency, chance of experiencing a loss and economic capital adequacy. These comprise our Group-level risk appetite metrics. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (eg credit, market and asset and liability management risks).

Risk Objectives

The broad risk management objectives of the Group are:

• To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
• To protect against unforeseen losses and ensure stability of earnings;
• To maximize earnings potential and opportunities;
• To maximize share price and stakeholder protection;
• To enhance credit ratings and depositor, analyst, investor and regulator perception; and
• To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions

Risk Control Process

Risk control processes are identified and discussed in the quarterly risk report and Management Risk Committee meetings. Control processes are also regularly reviewed at Business Unit level and changes agreed with the Risk Officer.

Risk Categorization

Great Nigeria Insurance PLC Limited is exposed to an array of risks through its daily business activities and operations. The Group has identified and categorized its exposure to these broad risks as listed below:

(i) Credit risk
(ii) Insurance risk
(iii) Liquidity risk
(iv) Market risk
(v) Operational risk

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met. . For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure. For risk management purposes, credit risk arising on trading assets is managed independently; and information thereon is disclosed below.

The Group's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent to investment grade and above.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

(i) The Group's enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored, exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

(ii) Net exposure limits are set for each counterparty or Group of counterparties and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

(iii) The Group further restricts its credit risk exposure by entering into master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis. The Group's reinsurance treaty contracts involve netting arrangements.

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

(v) The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings and worthiness.

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

The table below shows the maximum exposure to credit risk for the Group's financial assets. The maximum exposure is shown net, before the effect of mitigation.

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Financial Assets	4,377,638	4,880,973.00	4,377,638	4,880,973
Other receivables	226,000	254,397.00	175,745	176,294
Reinsurance assets	347,457	265,355.00	347,457	265,355
Trade receivables	78,777	66,142.00	3,921	1,154
Cash and cash equivalents	13,520,624	7,249,123.00	13,460,792	7,123,621
	18,550,496	**12,715,990**	**18,365,553**	**12,447,397**

Outlined below is the Group's exposure to credit risk arising from trade receivables

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross Amount				
12- month ECL Past due but not impaired	78,777	66,142	3,921	1,154
ECL Credit Impaired	20,241	19,402	-	-
Total	99,018	85,544	3,921	1,154
Impairment				
ECL Credit Impaired	20,241	19,402	-	-
Total	20,241	19,402	-	-
Carrying Amount	**78,777**	**66,142**	**3,921**	**1,154**

Credit quality and credit rating of financial assets

The Company's financial assets measured at fair value through profit or loss are not assessed for impairment. The Company's financial assets assessed for impairment are debt securities at amortised cost, debt securities at FVOCI and trade and other receivables.

31 December 2022
GROUP

In thousands of Naira	Gross amount	ECL impairment	amount
12-month ECL	18,146,439	(173,321)	17,973,118
Lifetime ECL not credit impaired	-	-	-
Lifetime ECL credit impaired	-	-	-
	18,146,439	(173,321)	17,973,118

The following table presents an analysis of the credit quality of the Group's financial assets
31 December 2022
GROUP

In thousands of Naira	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	13,591,346	4,280,357	-	179,639	95,097
Gross amount	13,591,346	4,280,357	-	179,639	95,097
Allowances for impairment:					
– 12-month ECL	(70,722)	-	-	(82,358)	(20,241)
Total allowance for impairment	(70,722)	-	-	(82,358)	(20,241)
Carrying amount	13,520,624	4,280,357	-	97,281	74,856

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

31 December 2022
COMPANY

In thousands of Naira	Gross amount	ECL impairment	amount
12-month ECL	17,991,510	(304,782)	17,686,728
	17,991,510	(304,782)	17,686,728

The following table presents an analysis of the credit quality of the Company's financial assets
31 December 2022
COMPANY

In thousands of Naira	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	13,531,514	4,280,357	-	179,639	-
Gross amount	13,531,514	4,280,357	-	179,639	-
Allowances for impairment:					
– 12-month ECL	(70,033)	-	-	(82,358)	(152,391)
Total allowance for impairment	(70,033)	-	-	(82,358)	(152,391)
Carrying amount	13,461,481	4,280,357	-	97,281	(152,391)

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

31 December 2021
GROUP

In thousands of Naira	Gross amount	ECL impairment	amount
12-month ECL	12,340,564	(174,346)	12,166,218
Lifetime ECL not credit impaired	-	-	-
Lifetime ECL credit impaired	-	-	-
	4,198,012	(36,046)	4,161,966

The following table presents an analysis of the credit quality of the Group's financial assets
31 December 2021
GROUP

In thousands of Naira	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	7,290,290	4,525,072	-	440,812	84,390
Gross amount	7,290,290	4,525,072	-	440,812	84,390
Allowances for impairment:					
– 12-month ECL	(70,033)	-	-	(84,911)	(19,402)
Total allowance for impairment	(70,033)	-	-	(84,911)	(19,402)
Carrying amount	7,220,257	4,525,072	-	355,901	64,988

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

31 December 2021
COMPANY

In thousands of Naira	Gross amount	ECL impairment	amount
12-month ECL	12,130,672	(309,888)	11,820,784
	12,130,672	(309,888)	11,820,784

The following table presents an analysis of the credit quality of the Company's financial assets
31 December 2021
COMPANY

In thousands of Naira	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	7,164,788	4,525,072	-	440,812	-
Gross amount	7,164,788	4,525,072	-	440,812	-
Allowances for impairment:					
– 12-month ECL	(70,033)	-	-	(84,911)	(154,944)
Total allowance for impairment	(70,033)	-	-	(84,911)	(154,944)
Carrying amount	7,094,755	4,525,072	-	355,901	(154,944)

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

Credit Definitions

Impaired trade receivables

Impaired trade receivables for which the Group determines that it is probable that it will be unable to collect the contractual payments according to the contractual terms of the agreement(s).

Past due but not impaired trade receivables

Trade receivables where contractual payments are past due (outstanding for more than 30 days) but the Group believes that impairment is not appropriate on the basis that the amounts owed have been received subsequently as at the Group's reporting date.

Neither past due or impaired

Trade receivables where contractual payments are not due and that the Group believes are not impaired. They have been outstanding for less than 30 days.

Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for Groups of homogeneous assets in respect of losses that have been incurred but have not been identified on receivables subject to individual assessment for impairment.

Impairment Model

Trade receivables, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The historical loss rate model has been used in estimating the impairment of its receivables.

Reinsurance:

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

Money market investments:

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis. The credit risk exposure associated with money market investments is low.

The Group's counterparty exposure as at 31 December 2022 is represented below:

Group portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	13,512,325,677	98%
Investment House	12,357,323	2%

The Company's counterparty exposure as at 31 December 2021 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	13,465,247,677	98%
Investment House	12,357,323	2%

The Group's counterparty exposure as at 31 December 2021 is represented below:

Group portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	6,834,727,677	98%
Investment House	12,357,323	2%

The Company's counterparty exposure as at 31 December 2021 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	6,711,897,677	98%
Investment House	12,357,323	2%

Other receivables

Other receivables balances constitute other debtors, dividend and intergroup receivables. The Group has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Group constantly monitors its exposure to these receivables via periodic performance review. The Group further manages its exposure to credit risk through deduction of transactions at source and investment in blue-chip companies quoted on Nigerian Stock Exchange. The exposure to credit risk associated with other receivables is low.

(d) Insurance risks

The major risk confronting the Group in the arrear of insurance contracts are that of actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and later development of long–term claims. Flowing from the foregoing, our main focus is to ensure that sufficient assets are available to cover these liabilities.

We have taken conscious efforts to mitigate our exposure to these inherent risks by diversifying across a large portfolio of insurance contracts and geographical areas. As part of risk management strategy, resourceful and efficient underwriting strategy guidelines and procedures are deployed and implemented. Besides, we have instituted mechanisms for structuring of coinsurance arrangements with friendly insurance Companies to ensure evenness of risks.

In addition there are well defined policies guidelines for ensuring adequate ceding out of risks to reinsurers as part of our risk mitigation programme. Businesses so ceded out to Reinsurer are placed on a proportional and non–proportional basis. While Proportional reinsurance are mainly quota–share reinsurance which is taken out, on original terms basis, to mitigate our overall exposure to risk in specific categories of risk underwriting businesses, Non–proportional reinsurances are principally excess–of–loss reinsurance intended to ameliorate our net exposure to large losses. Retention limits for the excess–of–loss reinsurance vary by product line.

Both the amounts of outstanding claims and recoverable from reinsurers are projected in comportment with the outstanding claims provision and are in accordance with the terms of reinsurance contracts. Despite have put in place the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Non-life insurance contracts

The Group principally issues the following types of general insurance contracts: fire, motor, general accidents, marine, bond, engineering, workmen compensation and special risks. Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from accidents. These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

(i) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose excess or deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs.

The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Management assesses risk concentration per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from non-life insurance.

31-Dec-22

Product	Gross sum insured	Gross Re-Insured	Net sum insured
Fire	250,526	194,471	56,056
General Accident	230,836	88,618	142,217
Marine	108,443	114,233	- 5,790
Bond	1,323	100	1,223
Oil & Gas	100,288	19,391	80,897
Engineering	100,070	42,544	57,526
Special risk	-	-	-
Motor	261,913	25,629	236,283
Total	**1,053,398**	**484,986**	**568,412**

31-Dec-21

Product	Gross sum insured	Gross Re-Insured	Net sum insured
Fire	266,831	183,848	82,983
General Accident	229,733	93,286	136,448
Marine	141,856	107,714	34,142
Bond	305	505	- 200
Oil & Gas	131,163	38,936	92,227
Engineering	37,332	21,744	15,588
Special risk	52	-	52
Motor	**250,971**	**15,219**	**235,752**
Total	**1,058,243**	**461,252**	**596,991**

(ii) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

(iii) Process used to decide on assumptions

For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. The claims paid data was sub – divided into large and additional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insufficient claim data, large and additional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

Discounted Inflation-adjusted Basic Chain Ladder method

Historical claims paid were grouped into 6 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 6 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.
The resulting claims estimated is discounted to the valuation date using a discount rate of 10% to allow for a margin of prudence.
The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding .

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

1. The future claims follows a trend pattern from the historical data
2. Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
3. The run off period is six (6) years and hence the method assumes no more claims will be paid after this.
4. That weighted past average inflation will remain unchanged into the future

Expected Loss Ratio method

This model assumes that the average delay in the payment of claims will continue into the future. Additionally, an estimate of the average ultimate loss ratio was assumed. The estimated average loss ratio was based on claims experience at the reporting date for accident years 2010, 2011 and 2012. For 3 of the classes of business namely Engineering, Workmen compensation, Bond and Oil & gas, there was very limited data. A Discounted Inflation-adjusted Basic Chain Ladder method was therefore inappropriate. The reserve was calculated as the expected average ultimate loss ratio for the assumed average delay period multiplied by earned premium for the assumed delay period minus current experience to the reporting date relating to the accident months that the delay affects.

Unearned premium provision was calculated using a time – apportionment basis. The same approach was taken for deferred acquisition cost as for the calculation of the UPR balance.

Sensitivity analysis

Sensitivity analysis is performed for possible movements in key assumptions with all other assumptions held constant, showing the impact the Company's insurance liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions.

Non-Life Valuation Report as at 31st December, 2022
Sensitivity Analysis

Class of Business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
Accident	149,968,560	150,287,333	149,622,310	150,779,816	149,157,022	148,664,381	151,306,398
Employers Liability*	97,790,322	98,539,148	96,976,090	98,469,113	97,111,449	97,165,944	98,426,371
Fire	53,912,442	53,973,723	53,848,060	54,232,714	53,592,149	53,637,741	54,191,583
Marine	56,571,490	57,422,573	55,723,485	56,825,145	56,317,757	56,232,691	56,916,535
Motor	507,443	507,443	507,443	507,443	507,443	498,720	516,378
Bond*	22,439,638	22,488,776	22,390,500	22,439,638	22,439,638	22,439,638	22,439,638
Oil & Gas*	18,432,971	23,853,938	15,180,390	18,432,971	18,432,971	18,325,105	18,542,768
Total	**399,622,866**	**407,072,934**	**394,248,280**	**401,686,842**	**397,558,429**	**396,964,220**	**402,339,672**
Account outstanding	**196,777,369**	**196,777,369**	**196,777,369**	**196,777,369**	**196,777,369**	**196,777,369**	**196,777,369**
IBNR	202,845,497	210,295,566	197,470,911	204,909,473	200,781,060	200,186,851	205,562,303
Percentage change		**1.86%**	**-1.34%**	**0.52%**	**-0.52%**	**-0.67%**	**0.68%**

Non-Life Valuation Report as at 31st December, 2021
Sensitivity Analysis

Discounted IABCL

Class of Business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
Accident	80,251,964	90,391,240	70,105,193	81,178,865	79,335,387	79,467,113	81,058,407
Employers Liability	1,024,524	1,421,437	627,610	1,024,524	1,024,524	1,019,006	1,030,133
Fire	86,254,898	94,858,759	77,644,271	87,089,846	85,425,200	85,611,100	86,912,750
Marine	43,235,904	46,783,020	39,674,649	43,365,331	43,106,884	42,981,573	43,494,830
Motor	45,624,973	51,396,114	39,799,235	45,897,668	45,353,783	45,309,742	45,946,888
Bond	259,968	327,765	192,171	259,968	259,968	259,968	259,968
Oil & Gas*	13,985,414	19,141,227	8,829,600	13,985,414	13,985,414	13,909,510	14,062,613
Total	**270,637,645**	**304,319,562**	**236,872,729**	**272,801,616**	**268,491,160**	**268,558,011**	**272,765,588**
Account outstanding	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**
IBNR	138,590,967	**172,272,884**	**104,826,051**	**140,754,937**	**136,444,481**	**136,511,333**	**140,718,910**
Percentage change		**12.45%**	**-12.48%**	**0.80%**	**-0.79%**	**-0.77%**	**0.79%**

Insurance Risk
The claims development history of the Group at the reporting date was as follows:
General Accident

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	12,511	33,751	14,701	1,088	5,632	101	-	-	-	-	-	-	-	-
2008	28,108	29,264	2,049	7,273	1,148	1,689	1,447	5,082	-	-	-	-	-	-
2009	17,302	24,114	1,181	1,584	1,188	166	2,000	5,419	-	-	1,727	-	-	-
2010	4,311	21,959	2,980	1,729	3,639	2,479	3,040	-	-	1,924	833	148	-	-
2011	10,307	20,762	15,359	8,191	3,410	3,527	750	485	566	-	-	-	-	-
2012	13,724	48,904	29,327	14,693	2,717	768	340	-	1,331	390	-	-	-	-
2013	20,836	35,752	12,359	11,076	5,239	2,665	755	-	-	-	-	-	-	-
2014	22,204	46,696	14,346	7,624	323	8,416	29	71	-	-	-	-	-	-
2015	13,851	25,465	7,877	6,647	5,794	4,218	2,048	-	-	-	-	-	-	-
2016	19,901	15,540	5,886	826	2,529	687	-	-	-	-	-	-	-	-
2017	7,821	16,075	1,539	4,314	71	-	-	-	-	-	-	-	-	-
2018	12,286	6,241	4,975	3,337	-	-	-	-	-	-	-	-	-	-
2019	19,861	24,079	6,341	-	-	-	-	-	-	-	-	-	-	-
2020	11,788	19,318	-	-	-	-	-	-	-	-	-	-	-	-
2021	3,896	-	-	-	-	-	-	-	-	-	-	-		

Fire

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	2,107	5,870	1,410	415	209	-	-	-	-	-	-	-	-	-
2008	1,048	3,426	676	1,638	-	-	-	-	-	-	-	-	-	-
2009	4,753	2,772	513	173	397	-	-	-	-	-	-	-	-	-
2010	8,765	10,842	337	163	-	-	-	-	-	-	-	-	-	-
2011	1,480	31,108	999	75	2	-	-	11	-	-	-	-	-	-
2012	6,525	27,971	7,355	2,454	1,776	1,367	-	2,888	-	-	-	-	-	-
2013	13,206	18,595	8,944	5,203	626	114	166	-	-	-	-	-	-	-
2014	15,561	24,678	7,593	2,530	6,204	373	-	-	-	-	-	-	-	-
2015	22,299	14,167	3,821	107	1,778	-	-	-	-	-	-	-	-	-
2016	25,260	17,919	6,672	642	-	18	-	-	-	-	-	-	-	-
2017	10,723	31,965	9,599	172	47	-	-	-	-	-	-	-	-	-
2018	15,173	25,206	1,726	2,483	-	-	-	-	-	-	-	-		
2019	26,879	34,807	1,426	-	-	-	-	-	-	-	-	-	-	-
2020	23,733	33,373	-	-	-	-	-	-	-	-	-	-	-	-
2021	13,166	-	-	-	-	-	-	-	-	-	-	-		

Motor

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	6,061	12,177	1,737	1,025	-	-	-	-	-	-	-	-	-	-
2008	20,500	19,518	4,275	358	2,259	-	-	-	-	-	-	-	-	-
2009	29,133	44,956	13,902	2,864	551	-	-	-	-	-	-	-	-	-
2010	34,272	28,009	1,581	1,905	-	-	-	2,216	-	-	-	-	-	-
2011	63,872	28,954	646	-	1,121	-	-	6	200	-	-	-	-	-
2012	51,657	22,791	162	1,063	-	-	-	-	-	-	-	-	-	-
2013	43,049	24,404	1,167	1,086	425	2,942	-	-	-	-	-	-	-	-
2014	47,395	44,804	782	-	-	-	-	-	-	-	-	-	-	-
2015	43,911	17,689	1,503	42	126	-	-	-	-	-	-	-	-	-
2016	31,116	31,493	4,171	-	319	24	-	-	-	-	-	-	-	-
2017	43,258	21,497	144	-	-	-	-	-	-	-	-	-	-	-
2018	34,572	14,402	-	-	-	-	-	-	-	-	-	-	-	
2019	33,774	7,719	1,827	-	-	-	-	-	-	-	-	-	-	-
2020	32,510	9,512	-	-	-	-	-	-	-	-	-	-	-	-
2021	33,582	-	-	-	-	-	-	-	-	-	-	-		

Marine

	Incremental Chain ladder-Yearly (₦’000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	9	839	-	-	-	-	-	-	-	-	-	-	-	-
2008	4,957	-	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	3,898	7,406	322	-	-	-	-	-	-	-	-	-	-
2010	1,488	3,377	184	-	-	-	-	-	-	-	-	-	-	-
2011	3,012	4,916	4,702	703	182	-	-	-	-	-	-	-	-	-
2012	4,343	2,694	182	661	-	-	-	-	-	-	-	-	-	-
2013	868	8,189	4,973	9	-	-	-	-	-	-	-	-	-	-
2014	6,531	2,798	-	127	-	-	-	-	-	-	-	-	-	-
2015	11,157	869	2,481	30	61	-	-	-	-	-	-	-	-	-
2016	6,091	1,107	3,972	2,328	-	-	-	-	-	-	-	-	-	-
2017	6,271	3,379	1,591	654	-	-	-	-	-	-	-	-	-	-
2018	877	16,809	1,539	669	-	-	-	-	-	-	-	-		
2019	7,231	6,125	66	-	-	-	-	-	-	-			-	-
2020	2,478	8,959	-	-	-	-	-	-	-	-			-	-
2021	3,224	-	-	-	-	-	-	-	-	-				

Cumulative Claims Development Pattern:

General Accident

	Cumulative Chain Ladder - Yearly (₦’000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	64,419	215,405	273,146	276,969	294,907	295,194	295,194	295,194	295,194	295,194	295,194	295,194	295,194	295,194
2008	125,744	240,684	247,882	271,047	274,313	278,761	282,279	293,552	293,552	293,552	293,552	293,552	293,552	293,552
2009	67,956	152,671	156,434	160,939	164,066	164,469	168,906	179,051	179,051	179,051	181,313	181,313	181,313	
2010	15,146	85,087	93,560	98,113	106,961	112,459	118,151	118,151	118,151	120,671	121,619	121,767		
2011	32,828	91,869	132,310	152,226	159,790	166,394	167,611	168,318	169,059	169,059	169,059			
2012	39,029	167,799	239,102	271,696	276,783	278,029	278,526	278,526	280,041	280,431				
2013	54,864	141,787	169,204	189,943	198,445	202,331	203,320	203,320	203,320					
2014	53,986	157,573	184,433	196,806	197,277	208,298	208,331	208,402						
2015	30,726	78,405	91,189	100,883	108,470	113,273	115,322							
2016	37,261	62,481	71,066	72,147	75,027	75,714								
2017	12,693	36,137	38,152	43,065	43,136									
2018	17,918	26,091	31,756	35,092										
2019	26,008	53,427	59,767											
2020	13,423	32,741												
2021	3,896													

Fire

	Cumulative Chain Ladder - Yearly (₦’000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	10,847	37,107	42,645	44,103	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768
2008	4,688	18,146	20,520	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736
2009	18,668	28,408	30,044	30,535	31,580	31,580	31,580	31,580	31,580	31,580	31,580	31,580	31,580	
2010	30,791	65,322	66,281	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710		
2011	4,714	93,177	95,808	95,990	95,993	95,993	95,993	96,010	96,010	96,010	96,010			
2012	18,557	92,208	110,089	115,532	118,857	121,075	121,075	124,858	124,858	124,858				
2013	34,772	79,982	99,823	109,564	110,580	110,746	110,964	110,964	110,964					
2014	37,834	92,579	106,795	110,901	119,950	120,438	120,438	120,438						
2015	49,466	75,992	82,192	82,349	84,677	84,677	84,677							
2016	47,294	76,376	86,105	86,946	86,946	86,963								
2017	17,403	64,020	76,591	76,786	76,833									
2018	22,128	55,135	57,101	59,584										
2019	35,198	74,833	76,259											
2020	27,025	60,398												
2021	13,166													

Motor

	Cumulative Chain Ladder - Yearly (N’000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	31,209	85,684	92,507	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109
2008	91,707	168,368	183,387	184,527	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950
2009	114,422	272,356	316,635	324,780	326,231	326,231	326,231	326,231	326,231	326,231	326,231	326,231	326,231	
2010	120,399	209,609	214,105	219,121	219,121	219,121	219,121	222,717	222,717	222,717	222,717	222,717		
2011	203,432	285,770	287,472	287,472	289,958	289,958	289,958	289,966	290,228	290,228	290,228			
2012	146,900	206,912	207,305	209,663	209,663	209,663	209,663	209,663	209,663	209,663				
2013	113,353	172,686	175,275	177,308	177,998	182,288	182,288	182,288	182,288					
2014	115,232	214,624	216,089	216,089	216,089	216,089	216,089	216,089						
2015	97,410	130,529	132,968	133,029	133,194	133,194	133,194							
2016	58,260	109,370	115,454	115,454	115,817	115,841								
2017	70,204	101,556	101,745	101,745	101,745									
2018	50,420	69,279	69,279	69,279										
2019	44,227	53,016	54,843											
2020	37,019	46,531												
2021	33,582													

Marine

	Cumulative Chain Ladder - Yearly (N’000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	46	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
2008	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174
2009	-	13,694	37,282	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	
2010	5,229	15,985	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510		
2011	9,593	23,572	35,952	37,661	38,065	38,065	38,065	38,065	38,065	38,065	38,065			
2012	12,350	19,442	19,885	21,350	21,350	21,350	21,350	21,350	21,350	21,350				
2013	2,287	22,198	33,231	33,247	33,247	33,247	33,247	33,247	33,247					
2014	15,880	22,088	22,088	22,294	22,294	22,294	22,294	22,294						
2015	24,751	26,378	30,405	30,448	30,528	30,528	30,528							
2016	11,404	13,200	18,992	22,042	22,042	22,042								
2017	10,177	15,105	17,189	17,934	17,934									
2018	1,280	23,291	25,043	25,713										
2019	9,469	16,444	16,510											
2020	2,822	11,781												
2021	3,224													

Life insurance contracts

Individual life insurance contracts offered by the Group include: whole life, term assurance, group life, credit life products, endowment assurances and immediate life annuity pensions.

Whole life and term assurance are conventional regular premium products where a lump sum benefit, either fixed or decreasing, is payable on death or permanent disability. Contracts with a deposit premium option acquire surrender values.

Immediate Life Annuity business offer regular income for life, guaranteed to be payable for a minimum period , in exchange for a lump sum or premium at retirement. The Group is exposed longevity and the re-investment risks. An asset-liability matching exercise is performed regularly to ensure that appropriate assets are held that match liabilities by nature, term, currency and cash-flow.
Other annuity products are similar to our endowment products in nature and don't carry any longevity risks.

To the extent that maturity values or investment returns are guaranteed, there is a risk that actual returns are lower than those expected/guaranteed.

Credit life products are variants of both the whole life and term assurance products for products sold through the banks. The death benefit cover is normally a decreasing term assurance policy linked to the outstanding debt with the bank at death.

Funeral products, the Family Benefit Plan and the Family Comfort Plan, offer a whole of life level benefit to cover funeral expenses for the insured members. The contract ceases on the first death. The Group's Life business provided death in service cover for employees and few contracts have also included cover for funeral.

There is a risk that expense will overrun as downward pressure on rates increases and the demand for better service increases. Also, brokers hold on to premiums for some time before remitting it to the insurers introducing default risk. There is also a risk that reinsurers will default on legitimate claims.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Group wide reinsurance limits of N5m on any single life insured and N140m on all high risk individuals insured are in place.

The Group has the right to review its mortality and morbidity rates should experience worsen but may be undermined by increased competition.
The insurance risks described above can be exacerbated by the selective withdrawal or decision to pay reduced premiums by healthy lives assureds. As a result, the amount of insurance risk is also subject to contract holder behaviour.

For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity and the risk that actual interest rate differs from that guaranteed.

The following tables show the concentration of life insurance by type of contract.

		31-Dec-22	
Types of Life Insurance contracts	**Gross Life insurance and investment contract liabilities**	**Life Insurance and Investment contract liabilities ceded to Reinsurance**	**Life Insurance and Investment contract Liabilities (Net)**
	N	**N**	**N**
Mortgage Protection	684,946	-	684,946
Endowments	1,769,730,143	43,362,116	1,726,368,027
Guaranteed annuity products	13,837,011,020	-	13,837,011,020
Deposit based products	539,433,720	-	539,433,720
Total life insurance liabilities	**16,146,859,829**	**43,362,116**	**16,103,497,713**

		31-Dec-21	
Types of Life Insurance contracts	**Gross Life insurance and investment contract liabilities**	**Life Insurance and Investment contract liabilities ceded to Reinsurance**	**Life Insurance and Investment contract Liabilities (Net)**
	N	**N**	**N**
Mortgage Protection	906,562	-	906,562
Endowments	85,475,025	-	85,475,025
Guaranteed annuity products	9,399,384,871	-	9,399,384,871
Deposit based products	406,213,181	-	406,213,181
Total life insurance liabilities	**9,891,979,639**	**-**	**9,891,979,639**

Sensitivity Analysis
Sensitivity analysis is performed for possible movements in key assumptions with all other assumptions held constant, showing the impact on the Group's insurance liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions.

Key Assumptions

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

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

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's experience.

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

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's experience.

An appropriate, but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type

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

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to a reduction in reserves and an increase in reported profits for the shareholders.

Expenses

Operating expense assumption reflects the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

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

Lapses and surrender rates

Lapses relate to the termination of risk policies or investment policies that have not acquired a value due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group’s experience and vary by product type.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on the long term risk free rate plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude.

Sensitivity of Liabilities to changes in long term valuation assumptions

31-Dec-22

N'000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses -10%	Expense inflation +2%	Expense inflation -2%	Mortality +5%	Mortality -5%
Individual Risk Reserves	13,903,789	12,953,820	14,803,235	14,031,093	13,774,551	14,116,842	13,705,776	13,903,855	13,903,728
Investment Linked Products	434,605	434,605	434,605	434,605	434,605	434,605	434,605	434,605	434,605
Group Life - UPR	285,736	285,736	285,736	285,736	285,736	285,736	285,736	285,736	285,736
Group Life - AURR	-	-	-	-	-	-	-	-	-
Group Life - IBNR	477,578	477,578	477,578	477,578	477,578	477,578	477,578	477,578	477,578
Group DA	69,833	69,833	69,833	69,833	69,833	69,833	69,833	69,833	69,833
Group Credit Life	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279
Outsanding Claims	911,539	911,539	911,539	911,539	911,539	911,539	911,539	911,539	911,539
Additional reserves	25,506	25,506	25,506	25,506	25,506	25,506	25,506	25,506	25,506
Reinsurance	(43,362)	(43,362)	(43,362)	(43,362)	(43,362)	(43,362)	(43,362)	(43,362)	(43,362)
Net liability	**16,068,502**	**15,118,533**	**16,967,948**	**16,195,806**	**15,939,264**	**16,281,555**	**15,870,489**	**16,068,569**	**16,068,442**
% change in Net Liability		**-5.91%**	**5.60%**	**0.79%**	**-0.80%**	**1.33%**	**-1.23%**	**0.00%**	**0.00%**

Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense	Expense	Mortality +5%	Mortality -5%
Individual	14,363,900	13,413,931	15,263,346	14,491,203	14,234,662	14,576,953	14,165,887	14,363,966	14,363,839
Group	1,704,603	1,704,603	1,704,603	1,704,603	1,704,603	1,704,603	1,704,603	1,704,603	1,704,603
Net liability	**16,068,502**	**15,118,533**	**16,967,948**	**16,195,806**	**15,939,264**	**16,281,555**	**15,870,489**	**16,068,569**	**16,068,442**
% change in liability		**-5.91%**	**5.60%**	**0.79%**	**-0.80%**	**1.33%**	**-1.23%**	**0.00%**	**0.00%**

---Sensitivities not applied to reinsurance for individual business due to immateriality
---The Mortality sensitivity tests have been applied in the opposite direction for the annuity business. For example Mortality +5% has ben tested as a 5% lightening of annuitant mortality
---All sensitivities were carried out independently

31-Dec-21

Sensitivity of Liabilities to changes in long term valuation assumptions

N'000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses -10%	Expense inflation +2%	Expense inflation -2%	Mortality +5%	Mortality -5%
Individual Risk Reserves	9,523,247	8,996,299	10,114,701	9,565,524	9,481,008	9,619,586	9,453,203	9,570,505	9,474,999
Investment Linked Products	406,213	406,213	406,213	406,213	406,213	406,213	406,213	406,213	406,213
Group Life - UPR	204,262	204,262	204,262	204,262	204,262	204,262	204,262	204,262	204,262
Group Life - AURR	888	888	888	888	888	888	888	888	888
Group Life - IBNR	381,295	381,295	381,295	381,295	381,295	381,295	381,295	381,295	381,295
Group DA	73,005	73,005	73,005	73,005	73,005	73,005	73,005	73,005	73,005
Outsanding Claims	864,951	864,951	864,951	864,951	864,951	864,951	864,951	864,951	864,951
Additional reserves	154,703	154,703	154,703	154,703	154,703	154,703	154,703	154,703	154,703
Reinsurance	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)
Net liability	**11,579,196**	**11,052,248**	**12,170,651**	**11,621,474**	**11,536,957**	**11,675,535**	**11,509,152**	**11,626,455**	**11,530,949**
% change in Net Liability		**-4.55%**	**5.11%**	**0.37%**	**-0.36%**	**0.83%**	**-0.60%**	**0.41%**	**-0.42%**

Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense	Expense	Mortality +5%	Mortality -5%
Individual	10,084,163	9,557,215	10,675,617	10,126,440	10,041,924	10,180,502	10,014,119	10,131,421	10,035,915
Group	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033
Net liability	**11,579,196**	**11,052,248**	**12,170,651**	**11,621,474**	**11,536,957**	**11,675,535**	**11,509,152**	**11,626,455**	**11,530,949**
% change in liability		**-4.55%**	**5.11%**	**0.37%**	**-0.36%**	**0.83%**	**-0.60%**	**0.41%**	**-0.42%**

All stresses were applied independently
Stresses not applied to individual reinsurance asset due to immateriality

(e) Liquidity risks

Liquidity risk is the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfil its financial obligation once claims crystallize. In respect of catastrophe events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Group mitigates this risk by monitoring cash activities and expected outflows. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Group' s cash and short term investments make up about 65% of its investment portfolio. This highlights liquid marketable securities sufficient to meet its liabilities as at when due. Short term investments include treasury bills and term deposits with an original maturity of less than one year.

The following policies and procedures are in place to mitigate the Group’s exposure to liquidity risk:

- The liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored, exposures and breaches are reported to the Group’s risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

The Group maintains a portfolio of highly marketable assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs to assist users in understanding how assets and liabilities have been matched.

The following table summarizes the maturity profile of the non–derivative financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers’ share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Repayments which are subject to notice are treated as if notice were to be given immediately.

Reinsurance assets have been presented on the same basis as insurance liabilities. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Residual contractual maturities of financial assets and liabilities

The table below shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow/ (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Group

31-Dec-22

In thousands of Naira	**Carrying amount**	**Contractual cashflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**Over 5 years**
Non- derivative financial assets							
Cash and cash equivalents	13,520,624	13,520,624	13,520,624	-	-	-	-
Financial Assets	4,377,638	4,377,638	4,377,638				
Trade receivables	78,777	78,777	78,777	-	-	-	-
Reinsurance assets	347,457	347,457	-	347,457	-	-	-
Other receivables and prepayment	246,477	246,477	123,239	123,238	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**19,070,973**	**19,070,972**	**18,100,278**	**470,695**	**-**	**-**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	16,455,683	16,509,290	680,220	1,108,316	107,757	13,907,068	705,929
Investment contract liabilities	539,434	539,434	539,434	-	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Loans and borrowings	679,110	679,110	679,110				
Other payable	1,176,439	1,176,439	1,176,439	-	-	-	-
Total liabilities	**18,860,446**	**18,914,053**	**3,084,983**	**1,108,316**	**107,757**	**13,907,068**	**705,929**
Gap (assets - liabilities)	210,527	156,919	15,015,294	(637,621)	(107,757)	(13,907,068)	(205,929)
Cumulative liquidity gap			15,015,294	14,377,673	14,269,916	362,848	156,920

Company

31-Dec-22

In thousands of Naira	**Carrying amount**	**Contractual cashflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**Over 5 years**
Non- derivative financial assets							
Cash and cash equivalents	13,460,792	13,460,792	13,460,792	-	-	-	-
Financial Assets	4,377,638	4,377,638	4,377,638				
Trade receivables	3,921	3,921	3,921	-	-	-	-
Reinsurance assets	347,457	347,457	-	113,034	191,061	27,130	-
Other receivables and prepayment	196,222	196,222	-	196,222	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**18,886,030**	**18,886,030**	**17,842,351**	**309,256**	**191,061**	**27,130**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	16,401,533	16,401,533	1,804,169	2,460,230	2,952,276	3,280,307	5,904,551
Investment contract liabilities	539,434	539,434	-	539,434	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Loans and borrowings	679,110	679,110	679,110				
Other payable	1,164,792	1,164,792	485,158	-	83,968	595,666	-
Total liabilities	**18,794,649**	**18,794,649**	**2,978,217**	**2,999,664**	**3,036,244**	**3,875,973**	**5,904,551**
Gap (assets - liabilities)	91,381	91,381	14,864,134	(2,690,408)	(2,845,183)	(3,848,843)	(5,404,551)
Cumulative liquidity gap			14,864,134	12,173,726	9,328,543	5,479,700	75,149

Group

31-Dec-21

In thousands of Naira	Carrying amount	Contractual cashflow	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years
Non- derivative financial assets							
Cash and cash equivalents	7,249,123	7,249,123	7,249,123	-	-	-	-
Trade receivables	66,142	66,142	66,142	-	-	-	-
Reinsurance assets	265,355	265,355	-	265,355	-	-	-
Other receivables and prepayment	280,295	280,295	140,148	140,147	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**8,360,915**	**8,360,915**	**7,455,413**	**405,502**	**-**	**-**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	12,013,192	12,004,064	567,001	1,017,921	107,757	9,636,797	674,589
Investment contract liabilities	479,218	479,218	479,218	-	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,120,658	1,120,658	1,120,658	-	-	-	-
Total liabilities	**13,622,849**	**13,613,721**	**2,176,658**	**1,017,921**	**107,757**	**9,636,797**	**674,589**
Gap (assets - liabilities)	(5,261,934)	(5,252,806)	5,278,755	(612,418)	(107,757)	(9,636,797)	(174,589)
Cumulative liquidity gap			5,278,755	4,666,337	4,558,580	(5,078,217)	(5,252,807)

Company

31-Dec-21

In thousands of Naira	Carrying amount	Contractual cashflow	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years
Non- derivative financial assets							
Cash and cash equivalents	7,123,621	7,123,621	7,123,621	-	-	-	-
Trade receivables	1,154	1,154	1,154	-	-	-	-
Reinsurance assets	265,355	265,355	-	115,640	119,768	19,150	-
Other receivables and prepayment	202,192	202,192	-	202,192	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**8,092,322**	**8,092,322**	**7,124,775**	**317,832**	**119,768**	**19,150**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	11,896,308	11,896,308	1,308,594	1,784,446	2,141,335	2,379,262	4,282,671
Investment contract liabilities	479,218	479,218	-	479,218	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,101,548	1,101,548	378,774	-	126,593	596,180	-
Total liabilities	**13,486,855**	**13,486,855**	**1,697,149**	**2,263,664**	**2,267,928**	**2,975,442**	**4,282,671**
Gap (assets - liabilities)	(5,394,533)	(5,394,533)	5,427,626	(1,945,833)	(2,148,160)	(2,956,292)	(3,782,671)
Cumulative liquidity gap			5,427,626	3,481,793	1,333,633	(1,622,659)	(5,405,330)

(f) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (foreign currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Group's enterprise risk management policy sets out the assessment and determination of what constitutes market risk . Compliance with the policy is monitored and exposures and breaches are reported to the Group Risk Committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

(g) Foreign currency risk

Foreign Exchange risk is the exposure of the Group's financial condition to adverse movements in exchange rates. The Group is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency.

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to transactions done in other foreign currencies: UK pound sterling, Euro and US dollar.

The Group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance contract liabilities are expected to be settled.

The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels. Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum. The Group's exposure to foreign exchange risk is low.

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

Group

31-Dec-22

	US Dollar	UK Pound Sterling	Euro	Total
	N'000	N'000	N'000	N'000
Cash and cash equivalents	238,834	-	10,957	249,791
Investment property	431,000	-	-	431,000

Company

31-Dec-22

	US Dollar	UK Pound Sterling	Euro	Total
	N'000	N'000	N'000	N'000
Cash and cash equivalents	238,834	-	10,957	249,791
Investment property	431,000	-	-	431,000

Group

31-Dec-21

	US Dollar	UK Pound Sterling	Euro	Total
	N'000	N'000	N'000	N'000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Company

31-Dec-21

	US Dollar	UK Pound Sterling	Euro	Total
	N'000	N'000	N'000	N'000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Foreign currency sensitivity analysis

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

The following tables show the effect on the profit as at 31st December 2021 from N385/$ closing rate and as at 31st December 2022 from N385/$ closing rate respectively.

Group
31-Dec-22

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	66,983	-	1,096	68,079
10% decrease	(66,983)	-	(1,096)	(68,079)
Impact of increase on:				
Pre-tax Profit	66,983	-	1,096	68,079
Shareholders’ Equity	46,888	-	767	47,655
Impact of decrease on:				
Pre-tax Profit	(66,983)	-	(1,096)	(68,079)
Shareholders’ Equity	(46,888)	-	(767)	(47,655)

Company
31-Dec-22

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	66,983	-	1,096	68,079
10% decrease	(66,983)	-	(1,096)	(68,079)
Impact of increase on:				
Pre-tax Profit	66,983	-	1,096	68,079
Shareholders’ Equity	46,888	-	767	47,655
Impact of decrease on:				
Pre-tax Profit	(66,983)	-	(1,096)	(68,079)
Shareholders’ Equity	(46,888)	-	(767)	(47,655)

Group
31-Dec-21

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders’ Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders’ Equity	(62,829)	-	(30,150)	(92,979)

Company
31-Dec-21

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders' Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders' Equity	(62,829)	-	(30,150)	(92,979)

(h) Interest rate risks

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modelled and reviewed. The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The Group is also exposed to the risk of changes in future cash flows from fixed income securities arising from the changes in interest rates.

Sensitivity analysis on financial assets

As part of the Group's investment strategy, in order to reduce both insurance and financial risk, the Group matches its investments to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the income statement) and equity (that reflects adjustments to profit before tax and changes in fair value of financial assets whose fair values are recorded in the statement of changes in equity).

The correlation of variables will have a significant effect in determining the ultimate fair value and/or amortised cost of financial assets, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-22**	**Company 31-Dec-22**	**Company 31-Dec-21**
Financial instruments				
Cash and cash equivalents	13,520,624	7,249,123	13,460,792	7,123,621
Financial assets:				
Amortised cost	97,281	355,901	97,281	355,901
	13,617,905	7,605,024	13,558,073	7,479,522

Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

(i) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address the risks
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

51 Capital Management Policies, Objectives and Approach

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

Great Nigeria Insurance's operations are also subject to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement as specified by National Insurance Commission (NAICOM) for life insurance business in Nigeria is N2 billion, N3 billion for Non-life insurance business, N5 billion for composite insurance business and N10 billion for Reinsurance business and insurers are also mandated to maintain 10% of this paid up capital with the Central Bank as Statutory Deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis. The National Health Insurance Scheme (NHIS) has set a minimum capital of N200 million for regional Health Maintenance Organizations (HMOs).

The regulations prescribed by NAICOM not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., solvency margin) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

In reporting the Great Nigeria Insurance's solvency status, solvency margin are computed using the rules prescribed by the National Insurance Commission (NAICOM). The margin of solvency, according to NAICOM is defined as total admissible assets less total liabilities. This shall not be less than either 15% of net premium or the minimum paid up share capital whichever is higher. Great Nigeria Insurance's capital management policy for its business is to hold sufficient capital to cover the statutory requirements based on the NAICOM regulations, including any additional amounts required by the regulators.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Great Nigeria Insurance's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

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

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

(a) The Company's solvency margin position is as follows:

		31-Dec-22	31-Dec-21
Admissible Assets		**N'000**	**N'000**
Financial assets:			
Cash and cash equivalents		13,443,805	7,106,634
Financial assets		4,377,638	4,880,973
Trade receivables		3,921	1,154
Reinsurance assets		347,457	265,355
Deferred acquisition cost		82,676	71,579
Right of Use Asset		-	71,507
Other receivables and prepayments		-	15,821
Investment in subsidiaries		242,338	348,146
Land and building and Investment properties		5,423,000	5,693,415
Intangible assets		156,818	169,318
Statutory deposit		500,000	500,000
PPE (Land and Building)		1,392,500	-
Other property and equipment		155,121	132,558
Total Admissible Assets	A	**26,125,275**	**19,256,460**
LESS ADMISSIBLE LIABILITIES			
Trade payables		9,781	9,781
Gratuity payable		1,722	1,722
Provision and other payables		1,252,982	1,131,047
Insurance contract liabilities		16,401,533	11,896,308
Investment contract liabilities		539,434	479,218
Lease Liability		-	35,874
Loans and borrowings		679,110	-
Current Income Tax Liabilities		36,653	50,027
Total Admissible Liabilities	B	**18,921,215**	**13,603,977**
Solvency Margin (A-B)		**7,204,060**	**5,652,483**
Higher of:			
Earneds Premium Income		10,113,531	8,368,607
Less: Reinsurance premium		(593,389)	(550,884)
Net Premium		**9,520,142**	**7,817,723**
15% of Net Premium		**1,428,021**	**1,172,658**
Minimum Paid-up Capital		**5,000,000**	**5,000,000**
The higher thereof:			
Solvency margin in excess of minimum paid up capital		**2,204,060**	**652,483**

(b) In line with finance Act 2021 (Part IX - Insurance Act) in sections 33, 34 and 35 contains provision which amended Section 9,10 and 102 of Insurance Act, 2003 as previously related to paid-up share capital. The word "Capital requirement" was introduced and inserted in Section 102 of the Insurance Act. By the provision of section 35.

'Capital Requirement" means -

(i) In the case of existing company -
- the excess of admissible assets over liabilities, less the amount of own shares held by the company.
- Subordinated liabilities subject to approval by the Commission, and
- any other financial instrument as prescribed by the Commission.

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

(ii) In the case of a new company -
- Government Bonds and Treasury Bills
- Cash and Bank balances, and
- Cash and Cash equivalent

Capital Management - Continued
As an existing company, our capital requirement is as shown below:

	31-Dec-22	**31-Dec-21**
	N'000	**N'000**
Share Capital	1,913,742	1,913,742
Share Premium	3,110,664	3,110,664
Statutory Contigency Reserve	1,559,923	1,415,256
Retained Lossess	(763,567)	(1,347,578)
Excess of admissible assets over liabilities	**5,820,762**	**5,092,084**
Less the amount of own shares held(Treasury shares)	(1,586,257)	(1,586,257)
	4,234,505	3,505,827
Subordinated liabilities subject to approval by the Commission	-	-
Any other financial instrument as prescribed by the Commission	-	-
Capital requirement	**4,234,505**	**3,505,827**

52 Valuation basis

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

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

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3

Fair value measurements recognised in the statement of financial position.

The table below analyses financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Group
31-Dec-22

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Financial Assets - at FVTPL	6	3,696,644	-	-	3,696,644
Equity securities - Assets at OCI	6	-	-	583,713	583,713
Total financial assets measured at fair value		**3,696,644**	**-**	**583,713**	**4,280,357**

Group
31-Dec-21

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	3,972,656	-	-	3,972,656
Equity securities - Assets at OCI	6			552,416	
Total financial assets measured at fair value		**3,972,656**	**-**	**552,416**	**4,525,072**

Company

31-Dec-22

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Financial Assets - at FVTPL	6	3,696,644	-	-	3,696,644
Equity securities - Assets at OCI	6	-	-	583,713	583,713
Total financial assets measured at fair value		**3,696,644**	**-**	**583,713**	**4,280,357**

31-Dec-21

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	3,972,656	-	-	3,972,656
Equity securities - Assets at OCI				552,416	
Total financial assets measured at fair value		**3,972,656**	**-**	**552,416**	**4,525,072**

Financial instruments not measured at fair value

No fair value disclosures are provided for cash and cash equivalents, loans and receivables, trade receivables, other receivables, bank borrowings, trade payables, provision and other payables and finance lease obligations that are measured at cost because their carrying amount reasonably approximate their fair value.

Cash and cash equivalents

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

Unquoted Equities fair value OCI

Unquoted equities represent equity shares held with financial institutions. The carrying amount of current balances held show a reasonable approximation of the fair value of the equities holdings.

Trade receivables and Other receivables

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

Bank borrowings, Trade payables, Provision and other payables and Finance lease obligations

The carrying amounts of bank borrowings, trade payables, provision and other payables and finance lease obligations are reasonable approximation of their fair values which are repayable on demand.

53 Financial assets and liabilities

Accounting classification measurement basis and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities.

Group

31-Dec-22		**Fair value through P/L**	**Amortised Cost**	**Fair value through OCI**	**financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira	Notes						
Financial assets							
Cash and cash equivalents	5		13,520,624	-	-	13,520,624	13,520,624
Financial assets	6	3,696,644	97,281	583,713	-	4,377,638	4,377,638
Trade receivables	7	-	78,777	-	-	78,777	78,777
Reinsurance assets	8	-	78,481	-	-	78,481	78,481
Other receivables excluding prepayments	10	-	427,960	-	-	427,960	427,960
		3,696,644	14,203,123	583,713	-	18,483,480	18,483,480
Financial liabilities							
Insurance contract liabilities	17	-	-	-	16,455,683	16,455,683	16,455,683
Investment contract liabilities	18	-	-	-	539,434	539,434	539,434
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	23 (a)	-	-	-	1,239,155	1,239,155	1,239,155
		-	-	-	18,244,053	18,244,053	18,244,053

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Group

31-Dec-21		**Fair value through P/L**	**Amortised Cost**	**Fair value through OCI**	**financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira	Notes						
Financial assets							
Cash and cash equivalents	5		7,249,123	-	-	7,249,123	7,249,123
Financial assets	6	3,972,656	355,901	552,416	-	4,880,973	4,880,973
Trade receivables	7	-	66,142	-	-	66,142	66,142
Reinsurance assets	8	-	74,303	-	-	74,303	74,303
Other receivables excluding prepayments	11	-	456,816	-	-	456,816	456,816
		3,972,656	8,202,285	552,416	-	12,727,357	12,727,357
Financial liabilities							
Insurance contract liabilities	17	-	-	-	12,013,192	12,013,192	12,013,192
Investment contract liabilities	18	-	-	-	479,218	479,218	479,218
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,150,157	1,150,157	1,150,157
		-	-	-	13,652,348	13,652,348	13,652,348

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Company

31-Dec-22 *In thousands of Naira*	Notes	**Fair value through P/L**	**Amortized cost**	**Fair value through OCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
Financial assets							
Cash and cash equivalents	5	-	13,460,792	-	-	13,460,792	13,460,792
Financial assets	6	3,696,644	97,281	583,713		4,377,638	4,377,638
Trade receivables	7	-	3,921	-	-	3,921	3,921
Reinsurance assets	8	-	347,457	-	-	347,457	347,457
Other receivables excluding prepayments	10	-	484,560	-	-	484,560	484,560
		3,696,644	14,394,010	583,713	-	18,674,367	18,674,367
Financial liabilities							
Insurance contract liabilities	17	-	-	-	16,401,533	16,401,533	16,401,533
Investment contract liabilities	18	-	-	-	539,434	539,434	539,434
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	23 (a)	-	-	-	1,252,982	1,252,982	1,252,982
		-	-	-	18,203,730	18,203,730	18,203,730

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Company

Dec-21 In thousands of Naira	Notes	**Fair value through P/L**	**Amortized cost**	**Fair value through OCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
Financial assets							
Cash and cash equivalents	5	-	7,123,621	-	-	7,123,621	7,123,621
Financial assets	6	3,972,656	355,901	552,416		4,880,973	4,880,973
Trade receivables	7	-	1,154	-	-	1,154	1,154
Reinsurance assets	8	-	265,355	-	-	265,355	265,355
Other receivables excluding prepayments	11	-	476,686	-	-	476,686	476,686
		3,972,656	8,222,716	552,416	-	12,747,788	12,747,788
Financial liabilities							
Insurance contract liabilities	17	-	-	-	11,896,308	11,896,308	11,896,308
Investment contract liabilities	18	-	-	-	479,218	479,218	479,218
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,131,047	1,131,047	1,131,047
		-	-	-	13,516,354	13,516,354	13,516,354

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

53 Segment information

Segment information is presented in respect of the Company's business segments which represents the primary segment reporting format and is based on the Company's management and reporting structure.

No geographical segment information has been provided in these financial statements as there is only one geographical segment.

Business segments charge and earn interest among themselves on a transfer pricing arrangement to reflect the of assets and liabilities.

Business Segments

The Company operates the following main business segments:

Non-life (General) Business - Includes general insurance transactions with individual and corporate customers

Life Business - Includes life insurance policies with individual and corporate customers.

Asset Management - Includes portfolio management services

The segment information provided by the Management Underwriting Investment Committee for the reporting segments for the year ended 31 December 2022

	Non-life		**Life**		**GNI Healthcare**		**Asset Management**	**Group**		**Company**	
In thousands of Naira	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Gross premium earned	1,053,398	1,058,243	9,173,350	7,310,364	178,630	237,350	-	10,405,378	8,605,958	10,226,748	8,368,607
Changes in unearned premium	(32,634)	(94,321)	(80,585)	37,542	22,422	25,320		(90,798)	(31,459)	(113,220)	(56,779)
Earned premium income	**1,020,764**	**963,922**	**9,092,765**	**7,347,906**	**201,052**	**262,670**	**-**	**10,314,581**	**8,574,498**	**10,113,529**	**8,311,828**
								-	-	-	-
Insurance premium ceded to re-insurer	(491,769)	(461,252)	(101,620)	(89,632)	-	-	-	(593,389)	(550,884)	(593,389)	(550,884)
Net insurance premium revenue	**528,994**	**502,670**	**8,991,146**	**7,258,274**	**201,052**	**262,670**	**-**	**9,721,192**	**8,023,614**	**9,520,140**	**7,760,944**
Fee income	105,228	99,909	19,963	5,914	-	-	-	125,191	105,823	125,191	105,823
Net underwriting Income	**634,222**	**602,579**	**9,011,109**	**7,264,188**	**201,052**	**262,670**	**-**	**9,846,383**	**8,129,437**	**9,645,331**	**7,866,767**
								-	-	-	-
Net claims expense	(253,077)	(164,150)	(3,093,683)	(1,992,264)	(120,592)	(149,684)	-	(3,467,352)	(2,306,097)	(3,346,760)	(2,156,413)
Acquisition expenses	(168,400)	(170,164)	(503,098)	(280,527)	(10,331)	(14,814)	-	(681,829)	(465,505)	(671,498)	(450,691)
Maintenance costs	(38,039)	(22,463)	(57,307)	(68,431)				(95,346)	(90,895)	(95,346)	(90,895)
	(459,516)	**(356,777)**	**(3,654,089)**	**(2,341,222)**	**(130,923)**	**(164,498)**	**-**	**(4,244,527)**	**(2,862,498)**	**(4,113,605)**	**(2,697,999)**
Changes in Life fund	-	-	(4,330,487)	(3,622,251)	-	-		(4,330,487)	(3,622,251)	(4,330,487)	(3,622,251)
Underwriting expenses	**(459,516)**	**(356,777)**	**(7,984,576)**	**(5,963,473)**	**(130,923)**	**(164,498)**	**-**	**(8,575,014)**	**(6,484,749)**	**(8,444,092)**	**(6,320,250)**
								-	-	-	-
Underwriting results	**174,706**	**245,803**	**1,026,533**	**1,300,714**	**70,129**	**98,172**	**-**	**1,271,370**	**1,644,689**	**1,201,240**	**1,546,517**
								-	-	-	-
Investment income	103,522	95,062	1,346,511	565,973	7,726	9,360	-	1,457,758	670,394	1,450,033	661,035
Net fair value gains/ (loss) on assets measured at fair value through profit or loss:	113,956	162,021	(232,412)	451,350	-	-	-	(118,456)	613,371	(118,456)	613,371
Other operating income	8,905	10,551	3,192	15,568	-	-	-	12,097	26,120	12,097	26,120
Management expenses	(777,472)	(734,494)	(896,475)	(787,047)	(72,863)	(89,211)	(12,679)	(1,806,186)	(1,647,188)	(1,673,948)	(1,521,540)
Finance Cost	(5,381)	(4,679)	(79,110)	-	-	-	-	(84,491)	(4,679)	(84,491)	(4,679)
Profit/(loss) on investment contracts	-	-	16,370	38,756	-	-	-	16,370	38,756	16,370	38,756
								-	-	-	-
Results of operating activities	**(381,765)**	**(225,736)**	**1,184,609**	**1,585,314**	**4,992**	**18,321**	**(12,679)**	**748,462**	**1,341,463**	**802,844**	**1,359,578**
Impairment losses	24,150	(40,697)	(23,529)	(40,746)	-	-	-	(218)	(90,333)	621	(81,444)
Reportable segment profit/ (loss) before tax	**(357,615)**	**(266,433)**	**1,161,079**	**1,544,568**	**4,992**	**18,321**	**(12,679)**	**748,244**	**1,251,130**	**803,465**	**1,278,134**
								-	-	-	-
Minimium Tax	(6,122)	(46,781)	(4,662)	(9,816)	(1,044)	(680)	-	(11,827)	(57,277)	(10,784)	(56,597)
Income tax	(38,241)		(25,765)	-	6,178	(853)	-	(57,828)	(853)	(64,006)	-
Loss /(Profit) After tax	**(401,977)**	**(129,604)**	**1,130,653**	**(601,714)**	**10,127**	**16,788**	**(12,679)**	**678,589**	**(714,530)**	**728,677**	**(731,318)**
								-	-	-	-
Contigency Reserve	(31,602)	(35,738)	(113,065)	(163,821)	-	-		(144,667)	(199,560)	(144,667)	(199,560)
								-	-	-	-
								-	-	-	-
Total assets	6,285,848	6,160,246	24,026,127	13,099,069	412,219	471,256	-	27,020,576	15,773,285	26,937,630	15,592,748
								-	-	-	-
Total liabilities	5,129,509	4,699,598	17,932,731	9,546,028	108,961	180,225	-	19,687,896	10,749,265	19,687,896	10,579,062
								-	-	-	-
Net assets	1,156,339	1,460,649	6,093,396	3,553,040	296,653	291,031	-	7,285,560	5,024,024	7,249,734	5,013,686

55 ASSET AND LIABILITY MANAGEMENT (COMPANY)
HYPOTHECATION OF ASSETS AS AT 31 DECEMBER 2022
In thousands of Naira

	LIFE FUND	ANNUITY	INVESTMENT CONTRACT LIABILITIES	NON-LIFE INSURANCE CONTRACT LIABILITIES	SHAREHOLDERS FUND	TOTAL
Cash and Cash equivalent	60,401	10,995,284	1,221,671	604,737	578,699.17	13,460,792
Financial Assets				-	-	-
Corporate Bonds		-	-	58	-	58
FGN Bonds		3,270,507				3,270,507
Quoted equities	186,014	-	29,530	210,593	-	426,137
Unquoted equities	-	-	-	-	583,713	583,713
Loans & Receivables	-	-	-	-	97,223	97,223
Investment in Subsidiaries	-	-		-	349,192	349,192
Investment Properties	2,619,645	2,604,828	-	198,527	431,000	5,854,000
Property and equipment	-	-	-	-	1,547,624	1,547,624
Statutory deposits	-	-		-	500,000	500,000
Trade receivables	-	-	-	-	3,921	3,921
Deferred acquisition costs	-	-	-	-	82,676	82,676
Reinsurance assets	43,362	-	-	304,095	-	347,457
Other receivables and prepayments	-	-	-	-	196,222	196,222
Right of Use (ROU) Assets	-	-	-	-	61,291.5	61,291
Intangibles assets	-	-	-	-	156,818	156,818
Total Assets (a)	**2,909,422**	**16,870,619**	**1,251,201**	**1,318,010**	**4,588,379**	**26,937,631**
Policyholders liabilities						
Insurance contract liabilities	1,770,415	13,837,011		794,107.53	-	16,401,535
Investment contract liabilities			539,433.72		-	539,434
Trade payables					9,781	9,781
Retirement benefit obligation					1,722	1,722
Lease liability					41,255	41,255
Provisions and other payables					1,252,982	1,252,982
Loans and borrowings		-			679,110	679,110
Deferred tax liabilities					725,426	725,426
Current income tax liabilities					36,653	36,653
Total Liabilities (b)	**1,770,415**	**13,837,011**	**539,433.72**	**794,107.53**	**2,746,929**	**19,687,898**
Excess/ (shortfall) of assets over liabilities (a-b)	**1,139,007**	**3,033,608**	**711,767**	**523,902**	**1,841,450**	**7,249,734**

ASSET AND LIABILITY MANAGEMENT (COMPANY)
HYPOTHECATION OF ASSETS AS AT 31 DECEMBER 2021
In thousands of Naira

	LIFE FUND	ANNUITY	INVESTMENT CONTRACT LIABILITIES	NON-LIFE INSURANCE CONTRACT LIABILITIES	SHAREHOLDERS FUND	TOTAL
Cash and Cash equivalent	91,776	5,856,691	467,192	707,963	-	7,123,622
Financial Assets				-	-	-
Corporate Bonds		-	151,992	101,422	-	253,414
FGN Bonds		3,483,826				3,483,826
Quoted equities	234,952	-	30,890	222,988	-	488,829
Unquoted equities	-	-	-	-	552,416	552,416
Loans & Receivables	-	-	-	-	102,487	102,487
Investment in Subsidiaries	-	-		-	348,147	348,147
Investment Properties	1,845,000	2,097,337	-	158,122	1,592,956	5,693,415
Property and equipment	-	-	-	-	1,285,460	1,285,460
Statutory deposits	-	-		-	500,000	500,000
Trade receivables	-	-	-	-	1,154	1,154
Deferred acquisition costs	-	-	-	-	71,578	71,578
Reinsurance assets	29,948	-	-	235,408	-	265,355
Other receivables and prepayments	-	-	-	-	202,193	202,193
Right of Use (ROU) Assets	-	-	-	-	71,506.7	71,507
Intangibles assets	-	-	-	-	169,318	169,318
Total Assets (a)	**2,201,675**	**11,437,854**	**650,074**	**1,425,903**	**4,897,216**	**20,612,720**
Policyholders liabilities						
Insurance contract liabilities	1,768,878	9,494,941		632,488.05	-	11,896,308
Investment contract liabilities			479,218.13		-	479,218
Trade payables					9,781	9,781
Retirement benefit obligation					1,722	1,722
Lease liability					35,874	35,874
Provisions and other payables					1,131,047	1,131,047
Deferred tax liabilities					620,405	620,405
Current income tax liabilities					50,027	50,027
Total Liabilities (b)	**1,768,878**	**9,494,941**	**479,218.13**	**632,488.05**	**1,848,856**	**14,224,382**
Excess/ (shortfall) of assets over liabilities (a-b)	**432,798**	**1,942,913**	**170,856**	**793,412**	**3,048,360**	**6,388,338**

Value Added Statement
for the year ended 31 December 2022

	Group 31-Dec-22		Group 31-Dec-21		Company 31-Dec-22		Company 31-Dec-21	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross premium (Local)	10,405,380		8,605,957		10,226,750		8,368,607	
Bought in materials and services								
- Local	(8,754,030)		(6,400,898)		(8,619,203)		(6,211,295)	
Value added	1,651,350	100	2,205,059	100	1,607,547	100	2,157,312	100
Distribution of value added								
To government								
Taxation	57,828	4	205,102	17	64,006	4	204,250	9
To employees								
Employee cost	526,116	32	593,048	258	492,693	31	555,708	26
Retained in the business								
Depreciation	72,060	4	81,783	37	67,552	4	75,909	4
Amortisation	111,875	7	85,523	35	109,953	7	81,987	4
To contingency reserve	144,666	9	170,290	86	144,666	9	170,290	8
To retained losses	738,805	45	1,069,313	(333)	728,677	45	1,069,168	50
Value added	1,651,350	100	2,205,059	100	1,607,547	100	2,157,312	100

Five-Year financial summary

In thousands of Naira

	Group		Company				
	2022	2021	2022	2021	2020	2019	2018
Statement of financial position							
Assets							
Cash and cash equivalents	13,520,624	7,249,123	13,460,792	7,123,621	6,272,625	2,591,680	1,577,085
Financial assets	4,377,638	4,880,973	4,377,638	4,880,973	1,568,831	1,384,887	1,212,209
Trade receivable	78,777	66,142	3,921	1,154	6,989	12,880	16,087
Reinsurance assets	347,457	265,355	347,457	265,355	256,649	473,363	490,148
Deferred acquisition cost	84,999	74,260	82,676	71,579	64,995	187,797	73,012
Other receivables and prepayment	246,477	280,295	196,222	202,192	406,643	66,243	291,003
Investment in subsidiary	-	-	349,192	348,146	339,257	289,257	182,404
Investment property	5,854,000	5,693,415	5,854,000	5,693,415	5,013,315	5,278,818	4,863,492
Right of Use (ROU) Assets	61,292	71,507	61,292	71,507	81,722	91,937	-
Intangible assets	159,325	173,747	156,818	169,318	168,880	69,843	68,780
Property, plant and equipment	1,789,987	1,528,777	1,547,622	1,285,460	912,842	847,111	823,690
Statutory deposit	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Deferred tax asset	-	-	-	-	-	-	6,033
Total assets	27,020,576	20,783,594	26,937,630	20,612,720	15,592,748	11,793,817	10,103,943
Insurance contract liabilities	16,455,683	12,013,192	16,401,533	11,896,308	8,502,983	4,357,401	2,568,553
Investment contract liabilities	539,434	479,218	539,434	479,218	450,535	452,023	454,936
Trade Payables	9,781	9,781	9,781	9,781	9,781	9,781	10,260
Gratuity payable	1,722	1,722	1,722	1,722	1,722	1,722	2,406
Other payables	1,176,439	1,101,315	1,194,291	1,087,856	1,145,230	927,260	885,724
Provisions	62,716	48,841	58,691	43,190			
Lease Liability	41,255	35,874	41,255	35,874	31,195	27,133	-
Loans and borrowings	679,110	-	679,110	-	-	-	-
Deferred tax liabilities	725,394	626,077	725,426	620,405	304,208	251,162	121,480
Current income tax liabilities	43,482	55,486	36,653	50,027	133,408	189,821	184,568
Total liabilities	19,735,016	14,371,507	19,687,896	14,224,382	10,579,062	6,233,611	4,250,522
Net assets	7,285,560	6,412,087	7,249,734	6,388,338	5,013,686	5,560,206	5,853,421
Financed by:							
Issued and paid up capital	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742
Share premium	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664
Contingency reserve	1,559,923	1,415,256	1,559,923	1,415,256	1,244,966	1,045,406	965,952
Retained losses	(863,583)	(1,455,992)	(763,567)	(1,347,578)	(2,246,456)	(1,328,602)	(900,477)
Fair value reserve	380,461	380,461	380,461	380,461	372,405	231,026	187,470
Assets revaluation reserve	1,132,526	998,219	1,048,511	915,793	618,365	587,970	576,070
NCI	51,827	49,737	-	-	-	-	-
Shareholders' fund	7,285,560	6,412,087	7,249,734	6,388,338	5,013,686	5,560,206	5,853,421
Statement of comprehensive income							
Gross premium written	10,405,380	8,605,957	10,226,750	8,368,607	7,164,075	5,283,517	3,288,502
Investment & other income	1,469,856	696,515	1,462,130	687,155	465,759	463,811	463,811
Profit/(loss) before taxation	808,461	1,279,814	803,466	1,278,136	(674,717)	(210,387)	(9,893)
Taxation	(57,828)	(205,102)	(64,006)	(204,250)	(40,019)	(132,793)	(164,623)
Profit/(loss) after taxation	738,805	1,069,313	728,677	1,069,168	(718,287)	(348,671)	(174,516)
Earnings per share-basic	19	28	19	28	(19)	(9)	(5)
Earnings per share-diluted	19	28	19	28	(19)	(9)	(5)