

**NSIA INSURANCE LIMITED**  
Lagos, Nigeria

ANNUAL REPORT  
For the year ended 31 December 2024

**For the year ended 31 December 2024**

<b>Contents</b>	<b>Page</b>
Corporate information	2
Financial highlights	3
Directors' report	4-7
Statement of corporate responsibility for the financial statements	8
Statement of directors' responsibilities in relation to the preparation of the financial statements	9
Certification of operating effectiveness of Internal Control over Financial Reporting-MD/CEO	10
Certification of operating effectiveness of Internal Control over Financial Reporting-CFO	11
Management's report on the assessment of Internal Control over Financial Reporting for the year ended 31st December 2024	12
Independent Auditor's Attestation Report on Management Assessment of Internal Control over Financial Reporting	13-15
Independent auditor's report	16-21
<b>Financial Statements</b>	
Summary of material accounting policies	22-40
Statement of profit or loss and other comprehensive income	41
Statement of financial position	42
Statement of changes in equity	43
Statement of cash flows	44
Notes to the financial statements	45-102
<i>Other National Disclosures:</i>	
i. Value added statement	103
ii. Five-Year financial summary	104

**Corporate Information**  
**For the year ended 31 December 2024**

Dr Adesegun Akinjuwon Akin-Olugbade, OON	Chairman
Mr. Moruf Apampa	Managing Director
Dr Markie Idowu	Director (Appointed 1 February, 2024)
Mr. Adeola Adetunji	Director
Mrs. Mansan Dominique Diagou Epse Ehile*	Director
Mrs. Hélène Konian*	Director
Mr. Apollos Ikpobe	Director
Mr. Matthieu Lawson***	Director
Mr. Almamy Timite*	Director
Mr. Sidy Faye**	Director
Mr. Abideen Musa	Executive Director
* - Ivorian; ** - Senegalese; *** - Beninese	
Registered office	3, Elsie Femi-Pearse Street Off Adeola Odeku, Victoria Island Lagos enquiry@nsiainsurance.com www.nsiainsurance.com
Company's FRC No	FRC/2012/00000000303
Company's RC number	129628
Principal bankers	Access Bank Ltd Guaranty Trust Bank Ltd First Bank Ltd Stanbic IBTC Ltd Fidelity Bank Plc Zenith Bank Plc Wema Bank Plc Unity Bank Plc
Principal Reinsurers	African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation Arab Insurance Group (Arig Re.)
Company Secretary	Punuka Attorneys & Solicitors Plot 45 Oyibo Adjarho Street, Off Admiralty Way Lekki Peninsula, Phase 1 Lagos, Nigeria
Actuary	Zamara Consulting Actuaries Nig Ltd 4th Floor Ibukun House Adetokunbo Ademola, VI P.O Box 76039 - 101241. VI FRC/2019/00000012910 Engagement Partner: Seth Chengo FRC/2017/NAS/00000016912
Auditor	Ernst & Young 10th and 13th Floors, UBA House 57 Marina, Lagos Nigeria FRC/2023/COY/209403
Property valuers	A.C. Otegbulu & Partners 5th Floor, Western House, 8 – 10 Broad Street Lagos, Nigeria FRC/2020/00000013597 Engagement Partner: A.C. Otegbulu FRC/2013/NIESV/0000001582

**Financial Highlights**

*For the year ended 31 December 2024*

	<u>2024</u>	<u>2023</u>	%
<i>In thousands of Naira</i>			
<b>STATEMENT OF PROFIT OR LOSS</b>			
<b>Gross premium written</b>	<b>30,150,491</b>	<b>22,293,974</b>	35
Insurance Service Result	(358,754)	2,887,730	(112)
Total Investment & Other income	7,257,358	5,048,695	44
Profit before income tax	3,443,843	3,213,934	7
Profit after income tax	3,177,776	3,095,363	3
Basic and diluted earnings per share (kobo)	18	17	6
<b>STATEMENT OF FINANCIAL POSITION</b>			
Total assets	55,018,300	36,342,835	51
Insurance contract liabilities	26,949,414	13,652,251	97
Investment contract liabilities	335,341	101,182	231
Total liabilities	33,791,439	18,992,129	78
Shareholders' funds/total equity	21,226,861	17,350,706	22

**Directors' Report**  
*For the year ended 31 December 2024*

The Directors present their annual report on the affairs of NSIA Insurance Limited (“the Company”) together with the financial statements and the Independent auditor’s report for the year ended 31 December 2024.

**(a) Legal form**

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

**(b) Principal activity and business review**

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

**(c) Operating results**

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

*In thousands of Naira*

	<b>2024</b>	<b>2023</b>
Insurance Service result	(358,754)	2,887,730
Net investment & other income	7,257,358	5,048,695
Total net underwriting, investment and other income	6,898,605	7,936,425
Profit before income tax	3,443,843	3,213,934
Income tax expense	(266,067)	(118,571)
Profit after income tax	3,177,776	3,095,363
<i>Appropriations:</i>		
Transfer to statutory contingency reserve	(747,689)	(564,964)
Transfer to Retained earnings	2,430,087	2,530,399
Retained earnings, beginning of the year	2,796,565	662,165
Dividend paid during the year	-	(395,999)
Retained earnings, end of the year	5,226,652	2,796,565

**(d) Dividend**

Dividend paid in 2024 was nil [2023: N395,999,000(2.2k per share)].

**(e) Governance framework**

The primary objective of the Company’s risk and financial management framework is to protect the Company’s stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the importance of having an effective and efficient risk management system in place.

The Company’s strategy for managing risk exposures is to establish and maintain a robust Enterprise Risk Management (ERM) programme that is embedded in all processes and driven by technology with emphasis on protection from unwanted risk while maintaining stakeholders’ value. The ERM programme structures and coordinates all direct and indirect risk management activities within the Company, while eliminating redundancies and ensuring consistency in the risk management process. The risk management strategy also entails constantly monitoring daily risk positions, attracting and retaining qualified personnel, reducing volatility in supplies, and managing political risk. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior management.

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

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

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

**Directors' Report - Continued**  
*For the year ended 31 December 2024*

**(f) Board of Directors**

The following board members served during the year

Dr. Adesegun Akinjuwon Akin-Olugbade, OON	Chairman
Mr. Moruf Apampa	Managing Director
Dr. Markie Idowu	Director (Appointed 1 February 2024)
Mrs. Mansan Dominique Diagou Epse Ehile*	Director
Mrs. Hélène Konian*	Director
Mr. Apollos Ikpobe	Director
Mr. Adeola Adetunji	Director
Mr. Matthieu Lawson**	Director
Mr. Almamy Timite*	Director
Mr. Sidy Faye**	Director
Mr. Abideen Musa	Executive Director

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

**(g) Directors and their interests**

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

Directors	Direct Shareholding	
	Number of Ordinary Shares Held 31 Dec 2024	Number of Ordinary Shares Held 31 Dec 2023
Dr Adesegun Akinjuwon Akin-Olugbade, OON	Nil	Nil
Mr. Moruf Apampa	Nil	Nil
Mrs. Mansan Dominique Diagou Epse Ehile	Nil	Nil
Mrs. Hélène Konian	Nil	Nil
Mr. Apollos Ikpobe	Nil	Nil
Mr. Adeola Adetunji	Nil	Nil
Mr. Matthieu Lawson	Nil	Nil
Mr. Almamy Timite	Nil	Nil
Mr. Sidy Faye	Nil	Nil
Mr. Abideen Musa	Nil	Nil
Dr. Markie Idowu	Nil	Nil

**(h) Acquisition of own shares**

The Company did not purchase its own share in the 2024 (2023: Nil).

**(i) Property and equipment**

Information relating to changes in property and equipment is given in Note 25 to the financial statements. In the directors' opinion, the market value of the Company's properties is not less than the value shown in the financial statements.

**(j) Shareholding analysis**

**(j1)** The shareholding composition of the Company as at 31 December 2024 is as stated below:

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

**Directors' Report - Continued**  
*For the year ended 31 December 2024*

**Shareholding analysis continued**

The shareholding composition of the Company as at 31 December 2023 is as stated below:

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

**(j2) Major Shareholding**

According to the Register of Members, no shareholder, other than the undermentioned held more than 5% of the issued share capital of the Company as at 31 December 2024:

	31 December 2024		31 December 2023	
	No of shareholding	% shareholding	shareholding	% shareholding
NSIA Participations Holding SA	17,344,367,262	96.36%	17,344,367,262	96.36%

**(k) Directors' interest in contracts**

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

**(l) Donations and charitable gifts**

The Company donated the total sum of ₦8,235,224 ( 2023: ₦5,325,123) to the following organizations during the year.

	2024	2023
	N'000	N'000
Down Syndrome Foundation	8,235	4,015
Professionals Insurance Ladies Association	-	250
Institute of Chartered Accountants of Nigeria	-	200
Chartered Insurance Institute of Nigeria	-	360
NCRIB, NNBE, NAIPCO & Others	-	500
	<b>8,235</b>	<b>5,325</b>

**(m) Human resources**

*Employment of disabled persons*

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

*Health, safety and welfare at work*

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

*Employee involvement and training*

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

**Directors' Report - Continued**  
*For the year ended 31 December 2024*

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

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

31 December 2024	Male (Number)	Female (Number)	Total (Number)	Male (Percentage)	Female (Percentage)
Employees	81	55	136	60%	40%
<b>Gender analysis for Employees and Board of Directors-continued</b>					
Board	8	3	11	73%	27%
Top management	2	3	5	40%	60%

**Detailed analysis of the Board and top management:**

Assistant General Manager	1	0	1	100%	0%
Deputy General Manager	1	3	4	25%	75%
General Manager	0	0	0	0%	0%
Executive Directors	2	0	2	100%	0%
Non-Executive Directors	6	3	9	67%	33%
<b>Total</b>	<b>10</b>	<b>6</b>	<b>16</b>		

31 December 2023	Male (Number)	Female (Number)	Total (Number)	Male (Percentage)	Female (Percentage)
Employees	82	54	136	48%	52%
<b>Gender analysis of the Board and top management is as follows:</b>					
Board	7	2	9	78%	22%
Top management	2	3	5	40%	60%

**Detailed analysis of the Board and top management is as follows:**

Assistant General Manager	1	1	2	50%	50%
Deputy General Manager	1	2	3	33%	67%
General Manager	0	0	0	0%	0%
Executive Directors	2	0	2	100%	0%
Non-executive Directors	5	2	7	72%	28%
<b>Total</b>	<b>9</b>	<b>5</b>	<b>14</b>		

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

As disclosed in Note 39 to the financial statements, there are no other significant events after the reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2024 and on its profit or loss and other comprehensive income for the year then ended.

**(p) Auditor**

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

BY ORDER OF THE BOARD



Elizabeth Idigbe  
FRC/2013/PRO/NBA/002/00000002878  
For: PUNUKA Attorneys & Solicitors  
Company Secretary  
25 June, 2025

**Statement of Corporate Responsibility for the Financial Statements for the year ended 31 December 2024**

In line with the provision of section 405 of Companies and Allied Matters Act, 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2024 and based on our knowledge confirm as follows:

- i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2024.
- iii) The company's internal controls has been designed to ensure that all material information relating to the Company is received and provided to the Auditors in the course of the audit.
- iv) That we have disclosed to the Company's Auditors and the Audit Committee the following information:
  - a) there are no significant deficiencies in the design or operation of the Company's internal controls, which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the audit.
  - b) there is no fraud involving management or other employees which could have any significant role in the Company's internal control.
  - iv) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

June 25th, 2025



**Mr. Rasheed Bello**  
Acting Chief Financial Officer  
FRC/2014/PRO/ICAN/001/0000008177



**Mr. Moruf Apampa**  
Managing Director/CEO  
FRC/2017/PRO/00000016004

**Statement of Directors' Responsibilities in Relation to the Preparation of The Financial Statements for the year ended 31 December 2024**

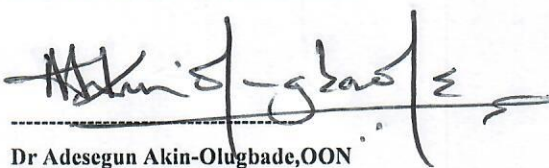
The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities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

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

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

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company as at, and of its total comprehensive income for the year ended 31 December 2024. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal control.

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



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

25th June, 2025



**Mr. Moruf Apampa**  
Managing Director/CEO  
FRC/2017/PRO/00000016004


25th June, 2025

**Certification of operating effectiveness of Internal Control over Financial Reporting-MD/CEO**

I, Moruf Apampa, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of NSIA Insurance Ltd;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- d) The Company's other certifying officer and I:
- 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
- 1) There are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - 2) There are no frauds, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system

The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

  
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**Mr. Moruf Apampa**  
Managing Director/CEO  
FRC/2017/PRO/00000016004

25th June, 2025

**Certification of operating effectiveness of Internal Control over Financial Reporting-CFO**

I, Rasheed Bello, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of NSIA Insurance Ltd;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- d) The Company's other certifying officer and I:
- 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors:
- 1) There are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - 2) There are no frauds, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system
- The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



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**Mr. Rasheed Bello**  
Acting Chief Financial Officer  
FRC/2014/PRO/ICAN/001/00000008177

25th June, 2025

**Management's report on the assessment of Internal Control over Financial Reporting for the year ended 31st December 2024**

The Management hereby make the following statements regarding the Internal Controls of NSIA Insurance Ltd ("the Company") for the year ended 31 December 2024:

a) NSIA Insurance Ltd's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).

b) NSIA Insurance Ltd's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Company's ICFR;

We have reviewed the financial statements of the Company for the year ended 31 December 2024 and based on our knowledge we certify as follows:

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

(ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition, results of operation and cash flows of the Company as of and for the year ended 31 December, 2024.

(iii) The Company's management has assessed that the entity's Internal Control over Financial Reporting (ICFR) as of the end of 31 December 2024 is effective.

(iv) The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2024.

(v) The Company's external auditors (Messrs Ernst and Young Nigeria) has issued an attestation report on management's assessment of internal control over financial reporting

The attestation report of Ernst & Young that audited this financial statements will be filed as part of NSIA Insurance Ltd's annual report.

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**Mr. Rasheed Bello**  
Acting Chief Financial Officer  
FRC/2014/PRO/ICAN/001/00000008177

25th June, 2025

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**Mr. Moruf Apampa**  
Managing Director/CEO  
FRC/2017/PRO/00000016004

25th June, 2025

## **Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting**

**To the members of NSIA Insurance Limited**

### **Scope**

We have been engaged by NSIA Insurance Limited ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as 'the Engagement', to report on NSIA Insurance Limited Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Criteria applied by NSIA Insurance Limited**

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), NSIA Insurance Limited applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting ('Criteria'). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

### ***NSIA Insurance Limited's management responsibilities***

NSIA Insurance Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying NSIA Insurance Limited's *Management's Assessment of the Internal Control over Financial Reporting as of 31 December 2024* in accordance with the Criteria.

### ***Our responsibilities***

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

### ***Our independence and quality management***

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Description of procedures performed***

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting

### ***Conclusion***

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management as contained and assessed in NSIA Insurance Limited's Management Assessment on Internal Control over Financial Reporting is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting .



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working world

**Other Matter**

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2024 of NSIA Insurance Limited and we expressed an unmodified opinion in our Auditor's report dated 12 August 2025. Our conclusion is not modified in respect of this matter.

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**Jamiu Olakisan**

FRC/2013/PRO/ICAN/004/00000003918

For: Ernst & Young

Lagos, Nigeria.

12 August 2025



## **Independent Auditor's Report**

*To the Members of NSIA Insurance Limited*

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of NSIA Insurance Limited ('the Company'), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NSIA Insurance Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### *Basis for Opinion*

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

#### *Key Audit Matters*

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

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

**Independent Auditor's Report**

*To the Members of NSIA Insurance Limited - Continued*

Key Audit Matter	How the matter was addressed in the audit
<p><b>Valuation of Insurance Contract Liabilities</b></p> <p>The Company has material insurance contract liabilities of ₦26.9billion (2023: ₦13.7billion) representing 79% (2023: 72%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit.</p> <p>The Company reviews its unexpired risk at reporting date. Provision for reported claims is based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported involve judgment and economic assumptions.</p> <p>Consistent with the insurance industry practice and regulatory guideline, the Company engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year-end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.</p> <p>Refer to Notes 3(n)(H) - Measurement on insurance contracts issued, 1.1 - Key sources of estimation uncertainty and 28 - Insurance Contract Liabilities.</p>	<p>We performed the following audit procedures with the support from our internal actuarial specialists:</p> <ul style="list-style-type: none"> <li>• obtained and documented our understanding of the Company's basis of valuation;</li> <li>• agreed schedules to the general ledger and tested the completeness and accuracy of the subledgers;</li> <li>• checked the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts;</li> <li>• tested data items used as inputs (premium data and claims data) to valuation or valuation models, including those involved in retrospective and prospective liability calculations;</li> <li>• checked consistency and accuracy of administration of claims and any other accounting data;</li> <li>• tested the accuracy of contract classifications for reporting under IFRS 17 Insurance Contracts;</li> <li>• evaluated the appropriateness of disclosures made in the financial statements as regards insurance contract.</li> </ul>

## **Independent Auditor's Report**

*To the Members of NSIA Insurance Limited - Continued*

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the document titled "NSIA Insurance Limited, Lagos, Nigeria, Annual Report for the year ended 31 December 2024", which includes Corporate Information, Financial Highlights, Directors' Report, Statement of Corporate Responsibility for the financial statements, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements, Certification of operating effectiveness of Internal Control over Financial Reporting - MD/CEO, Certification of operating effectiveness of Internal Control over Financial Reporting - CFO, Management's report on the assessment of Internal Control over Financial Reporting and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

### *Responsibilities of the Directors for the Financial Statements*

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

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

## Independent Auditor's Report

*To the Members of NSIA Insurance Limited - Continued*

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

## **Independent Auditor's Report**

*To the Members of NSIA Insurance Limited - Continued*

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

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

### ***Report on Other Legal and Regulatory Requirements***

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

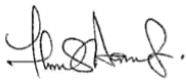
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- The Company's statement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

## Independent Auditor's Report

*To the Members of NSIA Insurance Limited - Continued*

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

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 12 August 2025.



Jamiu Olakisan  
FRC/2013/PRO/ICAN/004/00000003918  
For Ernst & Young  
Lagos, Nigeria

12 August 2025



## Summary of Material Accounting Policies

### 1 General information

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

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

#### *Shareholding structure*

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

#### *Authorization for issue*

The financial statements of the Company were authorized for issue by the Board of Directors on 25 June, 2025

### 1.1 Going concern

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

### 1.2 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act, 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023

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

#### (b) Judgment, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

### 2 New and amended standards

This section speaks to new and amended standards and interpretation effective from 1st January 2024 that could potentially impact the preparation of accounts and financial statements of the entity. The details of which are stated below;

#### A New and amended standards and interpretations

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

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

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

This did not impact on the financial statements of the Company.

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

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

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

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

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

This did not impact on the financial statements of the Company

## Notes to the Financial Statements

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

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

- (1) The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
  - (2) Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
  - (3) The amendments clarify the situations that are considered settlement of a liability.
- The new guidance will be effective for annual periods starting on or after 1 January 2024 and this amendments have been assessed not to impact the entity.

## B New and amended standards that are not yet effective

A number of new standards, amendment to standards and interpretations are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not applied the following new or amended standards in preparing this financial statements. The Company does not plan to early adopt these standards. These will be adopted in the period that they become mandatory and applicable unless otherwise indicated. Those Standards, Amendments to Standards, and interpretations which we considered may be relevant to the Company are set below;

### (i) Amendments to IAS 21 - Lack of Exchangeability

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

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

This standard have been assessed not to impact the company.

### (ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are effective for reporting periods beginning on or after 1 January 2026.

This standard have been evaluated not to impact the company.

### (iii) IFRS 18 — Presentation and Disclosure in Financial Statements

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 applies to all financial statements that are prepared and presented in accordance with International Financial Reporting Standards (IFRSs). Standards for recognising, measuring, and disclosing specific transactions are addressed in other Standards and Interpretations. The amendments are effective for reporting periods beginning on or after 1 January 2027 with earlier adoption accepted.

This standard will impact how companies present and disclose information in their financial statements.  
Here's how it's likely to impact company:

Area	Specific Impact
* Financial Statement Structure	Must show new subtotals and clearly separate insurance vs investment performance
* Categorization of Income/Expense	Careful judgment needed between operating/investing/financing
* Management Performance Measure (MPM) Disclosures	More transparency and compliance effort
* Granularity of Disclosures	Higher disaggregation burden (claims, fees, reinsurance)
* System & People Readiness	May need ERP changes and team training

This standard have been assessed and the company plans to adopt the full scope of the standard when it becomes effective.

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

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

### (v) IFRS 19 — Subsidiaries without Public Accountability: Disclosures

IFRS 19 is an International Accounting Standard (IAS) that allows eligible subsidiaries to use reduced disclosure requirements for their financial statements. The standard was issued by the International Accounting Standards Board (IASB) in May 2024. The standard simplifies reporting for subsidiaries, Reduces costs for financial reporting, Helps subsidiaries meet users' information needs, and Allows subsidiaries to keep one set of accounting records. IFRS 19 applies to annual reporting periods beginning on or after January 1, 2027 with earlier application permitted.

This standard have been assessed not to impact the entity.

## Notes to the Financial Statements

### (vi) Annual Improvements to IFRS Accounting Standards-Volume 11

Annual Improvements to IFRS Accounting Standards-Volume 11 was issued by the International Accounting Standards Board (IASB) on July 18, 2024. It contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The IASB's annual improvements are limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards.

The amendments contained in the Annual Improvements relate to:

- \* IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
- \* IFRS 7 Financial Instruments: Disclosures: Gain or loss on derecognition, Disclosure of differences between the fair value and the transaction price, Disclosures on credit risk
- \* IFRS 9 Financial Instruments: Derecognition of lease liabilities, Transaction price
- \* IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
- \* IAS 7 Statement of Cash Flows - Cost Method.

These amendments are mandatory for financial years beginning on or after 1 January 2026; earlier application is permitted.

This standard have been assessed not to impact the company.

### (vii) Power Purchase Agreements – amendments to IFRS 7 and 9

The International Accounting Standards Board (IASB), in December, 2024 issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements. The targeted amendments include:

- \* clarifying the application of the 'own-use' requirements;
- \* permitting hedge accounting if these contracts are used as hedging instruments; and
- \* adding new disclosure requirements.

The standard is not expected to have an impact on the financial statements of the Company based on assessment of the standard.

## 3 Summary of material accounting policies

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

### a Functional and presentation currency

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

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

### Foreign currency transactions (transactions and balances)

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

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

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

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

### b Cash and cash equivalents

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

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

### c Financial instruments

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

#### Financial assets

#### i Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

#### ii Classification of financial assets

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

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

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

The Company classifies its financial liabilities at amortized cost.

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

## Notes to the Financial Statements

### Financial assets...continued

#### (a) Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

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

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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

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

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

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

#### iii Subsequent measurement

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

##### Financial assets at amortized cost

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

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

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

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance. The effective interest method is a method of calculating the amortized cost of a financial instrument (or Company of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

*Fair value through other comprehensive income (FVOCI)*

##### Equity instruments

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

Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'Net fair value gain/loss' in the profit or loss.

## Notes to the Financial Statements

### iv Reclassifications

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

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

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

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

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

### v Impairment of financial assets

#### Overview of the Expected Credit Losses (ECL) principles

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

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

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

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

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

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

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a regulatory no premium no cover impairment approach. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

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

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

#### The calculation of ECLs

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

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

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

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

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

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

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

## Notes to the Financial Statements

### Forward looking information

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

- Stage 1(12mECL): The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2(LTECL): When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3/impairment(LTECL): For debt instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Company would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary period above, the Company also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

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

### Debt instruments measured at fair value through OCI

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

### Collateral valuation

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

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

### Presentation of allowance for ECL in the statement of financial position

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

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

### Write-off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

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

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

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

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

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

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

### Forward looking information

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

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

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

## Notes to the Financial Statements

### Measurement of ECL

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

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

### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the borrower or issuer or;
- a breach of contract, such as a default or past due events;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration of the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In assessing whether investments in financial institution is credit impaired, the Company considers:

- The rating agencies assessment of credit worthiness of the financial institution.

### (vi) Fair value measurement

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

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

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

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

The Company measures financial instruments and non-financial assets such as investment properties at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are further disclosed. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

\*In the principal market for the asset or liability, or

\* In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

\*Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

\*Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

\* Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. The management, in conjunction with the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

For units in unit trusts and shares in open ended investment companies, fair value is determined by reference to published bid values in an active market.

For other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

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

## Notes to the Financial Statements

### (vii) Amortized cost concept

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

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

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

### (viii) Derecognition of financial assets

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

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

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

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

## Financial liabilities

### Classification of financial liabilities

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

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

### Initial recognition and measurement

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

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

### Subsequent Measurement

Subsequent measurement of financial liabilities depends on their classification.

### De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

### Offsetting financial instruments

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

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

## d Trade receivables

Trade receivables are recognized when due. These include amounts due from agents, brokers, insurance companies and insurance contract holders.

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

The Company gathers the objective evidence that a trade receivable is impaired using the simplified approach while loans and receivables are measured using the general approach. The impairment loss is calculated under the same method used for these financial assets.

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

## Notes to the Financial Statements

### e Other receivables

Other receivables are made up of amounts receivable from third parties which are not directly related to insurance or investment contracts, except prepayment and other receivables that are not financial assets, these are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.

### f Prepayments

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

### g Investment properties

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

#### i Recognition and measurement

Investment properties are initially measured at cost, including all transaction costs. Subsequently, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value are included in profit or loss in the period in which they arise.

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

#### ii De-recognition

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

#### iii Transfers

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

#### iv Disposal

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

### h Intangible assets

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

#### i Subsequent expenditure

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

#### ii Amortization

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

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

#### iii Derecognition of intangible assets

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

### i Property and equipment

#### i Recognition and measurement

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

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

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

#### ii Subsequent costs

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

## Notes to the Financial Statements

### iii Depreciation

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

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

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

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

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

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

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

#### De-recognition

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

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

#### Impairment of non-financial assets

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

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the asset's or CGU's recoverable amount.

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

### j Statutory deposits

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

### k Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk and are therefore treated as financial instruments under IFRS 17. Financial risk is the risk of a possible change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

#### Investment contract liabilities

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

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

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

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

## Notes to the Financial Statements

### I Insurance contracts

#### i Classification

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

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

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

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

- (a) Individual Life With-profit Policies - These are endowment plans with participating features.  
The Company accounts for these policies applying the General Model.
- (b) Individual Life Without-profit Policies including:
  - Term life insurance contracts providing level or decreasing sum assured coverage for a limited period in exchange for renewable fixed premiums.
  - Whole of life assurance contracts.The Company accounts for these policies applying the General Model.
- (c) Life Business – Deposit based policies.  
These contracts are individual term assurance plans providing a death benefit with non-distinct investment components.  
The Company accounts for these policies applying the General Model.
- (d) Group Life Insurance - Company issues term assurance plans providing death benefits to employees of businesses with coverage of one year or less.
- (e) Health Insurance - Company issues international health insurance providing international health insurance benefits to employees of businesses with coverage of one year or less  
The Company accounts for these contracts applying the Premium Allocation Approach (PAA).

##### (ii) Non-life insurance

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

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

#### Reinsurance contracts

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

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

#### B. Definitions and classifications

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

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

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

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

#### C. Combining a set or series of contracts

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

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

#### D. Separating components from insurance and reinsurance contracts

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

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

Paragraph B18 of IFRS 17 states that an entity needs to assess the insurance risk excluding scenarios that have no commercial substance (i.e. no discernible effect on the economics of the transaction). Hence, for the purpose of determining if an insurance contract includes an investment component the entity needs to assess whether scenarios in which no payments are made have commercial substance. The entity does not consider a scenario for which no payment is made if that scenario has no commercial substance.

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

#### E. Level of aggregation

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

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

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

## Notes to the Financial Statements

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

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

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

All short-term contracts have currently been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. The company expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous. Reinsurance contracts held are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component. An example is the NLIP reinsurance contract covering Auto, Casualty and Employer's Liability Lines. Each reinsured line is managed separately and priced separately so they are treated as separate reinsurance contracts. If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year).

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

### F. Recognition

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

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

### G. Contract Boundaries

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

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

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

### H. Measurement of insurance contracts issued

#### 1. General Model

##### 1.1 Insurance contracts - initial measurement

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

#### Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future the company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

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

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

## Notes to the Financial Statements

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

- Information about claims already reported by policyholders.
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.
- Current pricing information, when available

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

### Discount Rate

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period unless the company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

In determining discount rates for cash flows, the company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate with similar characteristics, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGNBonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

### Risk adjustment for non-financial risk

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

### Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the company will recognize as it provides insurance contract services over the coverage period. At initial recognition, the company measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognized

in profit or loss arising from:

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

If a group of contracts is onerous, the company recognizes a loss on initial recognition. This results in the carrying amount of the liability for the company being equal to the fulfilment cash flows, and the CSM of the company being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.

The company determines at initial recognition the company's coverage units. The company then allocates the company's CSM based on the coverage units provided in the period. The company allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The company uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition

### Insurance acquisition cash flows

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

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

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

### Deferred acquisition costs (DAC)

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

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

### 1.2 Insurance contracts – Subsequent Measurement (General Measurement Model)

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

The LRC is comprised of:

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

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

## Notes to the Financial Statements

### Changes in fulfilment cash flows

At the end of each reporting period, the company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variable.

The company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non financial assumptions, changes in discount rates and financial assumptions. The company first calculates the changes in discount rates and financial assumptions on the fulfilment cashflows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

### Adjustments to the CSM

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

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

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

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

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

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

## 2. Premium Allocation Approach

### Insurance contracts

This is a simplification of the general model. The entity applies the PAA to the measurement of group life, health insurance and non-life insurance contracts with a coverage period of each contract in the group of one year or less.

Contracts with coverage period above one year which are not immediately eligible for the PAA, were subjected to a PAA eligibility by assessing the expected LRC cashflows under both the PAA and General Model approaches. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualified for PAA.

On initial recognition, the entity measures the carrying amount of the Liability for remaining coverage for insurance contracts held as the premiums received - Gross Written premiums (which will be unearned at the start) less the acquisition costs (as the company has chosen not to expense acquisition costs as incurred). The company has determined that there is no significant financing component in group life, health and non-life insurance contracts with a coverage period of one year or less. The company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

### Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. NSIA has opted not to expense acquisition cash flows immediately when incurred.

Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the former being the method adopted by NSIA).

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. NSIA has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

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

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

## Notes to the Financial Statements

### 3. Onerous contracts

The company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

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

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

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

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

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

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

- the carrying amount of the liability for remaining coverage; and
- the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

### I. Measurement of Reinsurance contracts held

#### I.1 Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

#### I.2. Reinsurance contracts held measured under the PAA

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

#### I.3 Reinsurance contracts held measured under the General Model

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

### J. Modification and Derecognition

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

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

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

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

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

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

When the Group transfers an insurance contract to a third party and that results in derecognition, the company adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one.

## Notes to the Financial Statements

### K. Presentation

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

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

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

#### K.1 Insurance Revenue

For the General Model, The company's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the company adjusted for financing effect (the time value of money) and excluding any investment components).

As the company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognizes insurance revenue, which is measured at the amount of consideration the company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

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

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

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

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

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

#### K.2 Insurance service expenses

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

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

#### K.3 Income or expenses from reinsurance contracts held.

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

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

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

The company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

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

#### K.5 Insurance finance income and expenses

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

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

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

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

## Notes to the Financial Statements

### m Other payables and accruals

Other payables and accruals on the statement of financial position comprise "accruals" and "other creditors". Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, the non-interest bearing liability is measured at the invoice amount as the impact of discounting is immaterial.

### n Provisions, contingent liabilities and assets

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized as assets in the statement of financial position but may be disclosed if inflow of economic benefits is probable.

### o Employee benefits

#### Short-term benefits

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

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

#### Staff incentives

A provision is recognized for the amount expected to be paid under short-term cash, bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

#### Retirement obligation & Post-employment benefits

##### Defined contribution plans

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

##### Termination benefits

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

### p Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### i. Income tax

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

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

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

\* When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

\* In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

#### ii. Minimum tax

Minimum tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of those years. The Company is subject to minimum tax based on the new Finance Act 2020, which was signed into law on 13 January 2020 and contains various tax changes with effect from 13 January 2020. Under the new tax regime, Minimum tax is pegged at a flat rate of 0.5% of turnover, which would be applicable to companies with no total profit or whose computed tax is less than the minimum tax. Franked investment income will be excluded for the purpose of the minimum tax computation. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

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.

## Notes to the Financial Statements

### iii. *Deferred tax*

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized for unused tax losses, unused tax credits and deductible temporary difference, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized except:

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

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

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

### q **Equity**

#### *Share capital*

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

#### *Share premium*

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

#### *Statutory contingency reserve*

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

#### *Asset revaluation reserve*

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

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

#### *Fair value reserve*

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

#### *Retained earnings*

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

#### *Dividend*

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

## Notes to the Financial Statements

### r Investment Income

Investment income comprise of interest income and dividend income.

#### *Interest Income*

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

#### *Dividend Income*

Dividend income is recognized in profit or loss when the Company's right to receive payment is established.

#### *Other Income*

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

### s Management expenses

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

### t Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

For management purpose, the Company is organized into business units based on the products and services offered and has two reportable operating segments as follows:

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

### u Earnings per share

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

**Statement of Profit or Loss and Other Comprehensive Income**  
*For the year ended 31 December 2024*

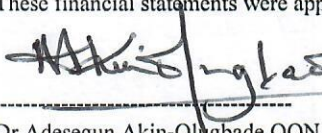
<i>In thousands of Naira</i>	Notes	2024	2023
Insurance Revenue	6	28,109,513	19,824,893
Insurance Service Expenses	8	(35,283,520)	(13,625,287)
Net income/(expenses) from reinsurance contracts held	9	6,815,253	(3,311,876)
<b>Insurance service result</b>		<b>(358,754)</b>	<b>2,887,730</b>
Profit on deposit administration	7	12,149	5,900
Net investment income	10	3,017,761	2,051,742
Other income	11	4,868,815	3,008,224
Fair value gain/(loss) on investment property	12	18,198	(11,588)
Credit loss expense on financial assets	14	(659,565)	(5,583)
<b>Total investment &amp; Other income</b>		<b>7,257,358</b>	<b>5,048,695</b>
Net finance income /(expenses) from insurance contract issued	13A	5,620,594	(589,967)
Net finance (expense)/ income from reinsurance contract held	13B	(2,908,743)	162,978
<b>Net insurance financial result</b>		<b>2,711,851</b>	<b>(426,989)</b>
Other Operating Expenses	15	(6,166,612)	(4,295,502)
<b>Profit before income tax</b>		<b>3,443,843</b>	<b>3,213,934</b>
Income tax expense	32.1	(266,067)	(118,571)
<b>Profit after income tax</b>		<b>3,177,776</b>	<b>3,095,363</b>
<b>Other comprehensive income</b>			
<i>Items within OCI that will not be reclassified to the profit or loss:</i>			
Property and equipment revaluation gains, net of tax	33.3	529,308	139,551
Fair value gain on equity instrument at FVOCI, net of tax	18(b)i	169,071	148,468
<b>Total other comprehensive income net of tax</b>		<b>698,379</b>	<b>288,019</b>
<b>Total comprehensive income for the year</b>		<b>3,876,155</b>	<b>3,383,382</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (kobo)	16	18	17


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


**Statement of Financial Position**  
as at 31 December 2024

	Notes	31 December 2024	31 December 2023
<i>In thousands of Naira</i>			
<b>Assets</b>			
Cash and cash equivalents	17	3,037,349	2,283,768
Financial assets	18	30,095,718	23,196,174
Trade receivables	19	4,486,751	711,271
Reinsurance contract assets	20	11,114,527	4,837,380
Prepayments, other receivables and assets	21	321,307	326,989
Investment property	22	266,400	248,202
Intangible assets	24	10	10
Property and equipment	25	4,795,838	3,838,641
Statutory deposits	26	900,400	900,400
<b>Total assets</b>		<b>55,018,300</b>	<b>36,342,835</b>
<b>Liabilities</b>			
Investment contract liabilities	27	335,341	101,182
Insurance contract liabilities	28	26,949,414	13,652,251
Trade Payable	29	3,598,834	3,160,449
Other payables and accruals	30	1,984,245	1,280,263
Current tax liabilities	32.2	211,579	165,375
Deferred tax liabilities	23	712,026	632,609
<b>Total liabilities</b>		<b>33,791,439</b>	<b>18,992,129</b>
<b>Equity</b>			
Share capital	33.1	9,000,000	9,000,000
Statutory contingency reserve	33.2	4,062,415	3,314,726
Asset revaluation reserve	33.3	2,495,973	1,966,665
Fair value reserve	33.4	441,821	272,750
Retained earnings	33.5	5,226,652	2,796,565
<b>Total equity</b>		<b>21,226,861</b>	<b>17,350,706</b>
<b>Total liabilities and equity</b>		<b>55,018,300</b>	<b>36,342,835</b>

These financial statements were approved by the Board of Directors on 25th June 2025 and signed on its behalf by:

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

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

  
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Mr. Rasheed Bello  
Acting Chief Financial Officer  
FRC/2014/PRO/ICAN/001/00000008177

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

**Statement of Changes in Equity**

For the year ended 31 December 2024

<i>In thousands of Naira</i>	Share capital	Statutory contingency reserve	Asset revaluation reserve	Fair value reserve	Retained earnings	Total
<b>As at 1 January 2023</b>	9,000,000	2,749,762	1,827,114	124,282	662,165	14,363,323
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	3,095,363	3,095,363
<b>Other comprehensive income</b>						
Fair value changes of FVOCI equity instruments (see note 33.4)	-	-	-	148,468	-	148,468
Property and equipment revaluation gains(net of tax) (see note 33.3)	-	-	139,551	-	-	139,551
<b>Total comprehensive income for the year</b>	-	-	<b>139,551</b>	<b>148,468</b>	<b>3,095,363</b>	<b>3,383,382</b>
Transfer between reserves	-	564,964	-	-	(564,964)	-
Dividends paid to ordinary equity shareholders during the year	-	-	-	-	(395,999)	(395,999)
<b>Total contribution by and distribution to equity holders</b>	-	<b>564,964</b>	-	-	<b>(960,963)</b>	<b>(395,999)</b>
<b>As at 31 December 2023</b>	<b>9,000,000</b>	<b>3,314,726</b>	<b>1,966,665</b>	<b>272,750</b>	<b>2,796,565</b>	<b>17,350,706</b>
<b>As at 1 January 2024</b>	9,000,000	3,314,726	1,966,665	272,750	2,796,565	17,350,706
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	3,177,776	3,177,776
<b>Other comprehensive income</b>						
Fair value changes of FVOCI equity instruments (see note 33.4)	-	-	-	169,071	-	169,071
Property and equipment revaluation gains(net of tax) (see note 33.3)	-	-	529,308	-	-	529,308
<b>Total comprehensive income for the year</b>	-	-	<b>529,308</b>	<b>169,071</b>	<b>3,177,776</b>	<b>3,876,155</b>
Transfer between reserves	-	747,689	-	-	(747,689)	-
Dividends paid to ordinary equity shareholders during the year	-	-	-	-	-	-
<b>Total contribution by and distribution to equity holders</b>	-	<b>747,689</b>	-	-	<b>(747,689)</b>	-
<b>As at 31 December 2024</b>	<b>9,000,000</b>	<b>4,062,415</b>	<b>2,495,973</b>	<b>441,821</b>	<b>5,226,652</b>	<b>21,226,861</b>

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

**Statement of Cash Flows**

For the year ended 31 December 2024

<i>In thousands of Naira</i>	Notes	2024	2023
<b>For the year ended 31 December 2024</b>			
<b>Operating activities:</b>			
Insurance premium received	40.1	27,902,057	21,477,837
Reinsurance premium paid	41.2	(11,986,740)	(7,319,119)
Prepaid minimum and deposit reinsurance at year end	21(a)(ii)	(1,399,077)	(363,241)
Acquisition cashflow received	20.1(a)	2,491,760	1,057,913
Claims and other insurance service expenses paid	28	(12,196,213)	(7,798,100)
Deposit received from deposit admin	41.3	436,199	126,042
Withdrawal claims from deposit admin	41.3	(210,865)	(187,199)
Amounts received from reinsurers relating to incurred claims	20.1(a)	3,654,337	736,385
Insurance acquisition cash flows	28	(4,263,062)	(4,843,043)
Sundry (Premium) deposit	29(b)	1,051,976	968,805
Cash paid to employees, intermediaries and other suppliers	41.4	(2,076,764)	(512,310)
Other income received	41.5	374	6,816
Net outflow due from co-insurers on claims paid	42.5	(2,882,210)	(384,068)
		521,773	2,966,718
Tax paid during the year	32	(218,043)	(50,020)
<b>Net cash flows from operating activities</b>		<b>303,730</b>	<b>2,916,698</b>
<b>Investing activities:</b>			
Interest income received	42	391,534	240,801
Investment property purchases	22	-	(12,760)
Dividend received	42.2	21,897	10,519
Proceeds from disposal of property and equipment	42.3	42,044	4,390
Purchase of financial assets	42.4(a)	(1,809,281)	(3,705,567)
Proceeds from sale/redemption of financial assets	42.4(b)	1,783,409	1,379,043
Purchase of property and equipment	25	(691,630)	(451,047)
<b>Net cash flows used in investing activities</b>		<b>(262,027)</b>	<b>(2,534,620)</b>
<b>Financing activities:</b>			
Deposits for shares (refunded)	42.8	-	(226,344)
Dividend paid	42.7	-	(395,999)
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>(622,343)</b>
Net increase/(decrease) in cash and cash equivalents		41,703	(240,265)
Effect of exchange rate differences on cash and cash equivalent	42.6	723,882	450,173
Cash and cash equivalents at beginning of year		2,298,071	2,088,163
<b>Cash and cash equivalents at end of year</b>	<b>17(a)</b>	<b>3,063,656</b>	<b>2,298,071</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

### 1 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below.

#### 1.1 Key sources of estimation uncertainty

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

##### Insurance contract liabilities and reinsurance contract assets.

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

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

Further explanations of the estimations mentioned above have been made in the statement of material accounting policies.

Every area, including NSIA's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below.

At 31 December 2024, NSIA's total carrying amount of:

- Insurance contracts issued that are liabilities was ₦26,949,414,300 (2023: ₦13,652,250,881)
- Reinsurance contracts held that are assets was ₦11,114,527,000 (2023: ₦4,837,379,700)

##### Insurance and reinsurance contracts

The company applies GMM for its retail life businesses (Individual Life) while it applies PAA on the non-life and group life and health policies.

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

The company applies the PAA to the measurement of group life, health and non-life insurance contracts with a coverage period of each contract in the group of one year or less. When measuring liabilities for remaining coverage, the PAA is broadly similar to the previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. Explanations on the estimations and level of judgements involved in determining some of the components have been made under the accounting policies relating to IFRS 17 implementation. material accounting policies

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

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

For example, if an insurance contract inception in May 2023 and cedes to the Marine Hull Surplus reinsurance treaty (which commenced 1 January 2023); the contract boundary extends till May 2024 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e. 1 Jan 2023 – May 2024.

## Notes to the financial statements

### Insurance and reinsurance contracts-continued

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

### 1.2 Income tax exposure

#### Current tax

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

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

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

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

- (a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;
- (b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

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

### 1.3 Deferred tax assets and liabilities

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

As at year end, the Company recorded deferred tax liabilities of ₦712 million (2023: ₦632.6 million).

### 1.4 Impairment of financial assets

#### Allowances for credit losses

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

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

### 1.5 Fair value measurement

#### 1.5.1 Financial assets

##### i. Valuation of unquoted securities

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using prices of recent transactions. Where such information is not available, the investments are valued based on various valuation techniques and methods. The valuation techniques include the following:

- Adjusted Net asset value - This model determines the value of an equity investment by subtracting the total liability of the entity from its total asset. The price per share of the equity is thus the net asset value divided by the entity's total outstanding shares, as at the date of the valuation.
- Dividend discount model - This model is based on the premise that the price of a stock is the sum of the discounted value of all its future dividends.
- Discounted cash flow model - This method discounts future free cash flow projections to estimate present value of an entity. This valuation method is based on multiple assumptions such as the amount of future cash flows, timing of the cash flows, cost of capital and growth rate. Even a small change in a simple assumption can result in very different valuation result.

## Notes to the financial statements

### Insurance and reinsurance contracts-continued

### 4 Critical accounting estimates and judgments-continued

### 4.5 Fair Value Measurement-continued

#### 4.5.1 Financial assets-continued

##### ii. Valuation of quoted securities

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

#### 1.5.2 Non-financial assets

##### i. Valuation of land and building

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

##### ii. Valuation of investment properties

The Company's investment property is held for the purpose of capital appreciation and rental income generation. The valuation of investment properties is based on the price for which comparable land and properties are being exchanged hands or are being marketed for sale. Therefore, the market-approach Method of Valuation. By nature, detailed information on concluded transactions is difficult to come by. The past transactions and recent adverts are being relied upon in deriving the value of the subject properties. Atleast, three properties will be analysed and compared with the subject property.

The Company's investment property was revalued by an external, independent valuer on 31 December 2024 using the comparative approach method of valuation to arrive at the open market value as at 31 December 2024. Fair value gains have been recognized in the statement of profit or loss and other comprehensive income in line with the fair value model of IAS 40.

## 2 Capital Management

### 2.1 Capital management objectives, policies and approach

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

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

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

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

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

### 2.2 Approach to capital management

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

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

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

Risk appetite is expressed quantitatively using the following metrics:

- Solvency margin = Total admissible assets minus total admissible liabilities;
- Debt-to-capital ratio = Total debt/Capital
- Shareholders equity ratio = Shareholders equity/total asset.

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

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

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

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

### 2.2 Approach to capital management - continued

#### Compliance with statutory solvency margin requirement

The Company at the end of the 31 December 2024 financial year maintained total admissible assets of ₦48.95Billion (31 Dec 2023: ₦33.76Billion) which exceeded the total liabilities of ₦33.07Billion (31 Dec 2023: ₦18.36Billion) by ₦15.87billion (31 Dec 2023: ₦15.40billion). The solvency margin was computed in line with the requirements of Section 24 of the Insurance Act of Nigeria, the latest NAICOM guidelines, and the regulatory requirements in the IFRS harmonization carve-outs issued by NAICOM. This showed a solvency margin of 317% (2023: 308%) of the minimum requirement which is the higher of 15% of net premium (₦2.72 Billion) (2023: ₦4.19 Billion) or the minimum capital base of ₦5billion for Life and Non-life insurance businesses. Thus, the Company's solvency margin as above met adequately the regulatory minimum solvency requirement.

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

Notes to the financial statements  
For the year ended 31 December 2024

The Solvency Margin for the Company as at 31 December 2024 is as follows:

According to Nature	Total	Admissible	Inadmissible
Assets	₦'000	₦'000	₦'000
Cash and Cash Equivalents	1,121,559	1,121,559	-
Treasury Bills	207,548	207,548	-
Placement with Financial Institutions	1,915,790	1,915,790	-
Government Bonds	29,184,508	29,184,508	-
Quoted Shares	243,913	243,913	-
Unquoted Shares	428,921	-	428,921
Loan to Policyholders	3,715	3,715	-
Loan to Staff	27,113	27,113	-
Premium Receivables	4,486,751	1,435,217	3,051,534
Other Receivables and Prepayments	321,307	-	321,307
Reinsurance Contract Assets	11,114,527	11,114,527	-
Investment Properties/Land & Building	266,400	-	266,400
Property, Land & Equipment; Excluding Land & Building	4,795,838	2,796,107	1,999,731
Statutory Deposit	900,400	900,400	-
Other Assets ( Intangible Assets)	10	10	-
<b>Total assets (A)</b>	<b>55,018,300</b>	<b>48,950,407</b>	<b>6,067,893</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	26,949,414	26,949,414	-
Investment Contract Liabilities	335,341	335,341	-
Reinsurance Contract Liabilities	3,598,834	3,598,834	-
Provision and Other Payables	1,984,245	1,984,245	-
Tax payable	211,579	211,579	-
Other Liabilities (Deferred tax)	712,026	-	712,026
<b>Total liabilities (B)</b>	<b>33,791,439</b>	<b>33,079,413</b>	<b>712,026</b>

Solvency Margin (A-B)= C

15,870,994

According to Financial Statement line items

Assets	Total	Admissible	Inadmissible
	₦'000	₦'000	₦'000
Cash and cash equivalents	3,037,349	3,037,349	-
Financial assets	30,095,718	29,666,797	428,921
Trade receivables	4,486,751	1,435,217	3,051,534
Reinsurance contract assets	11,114,527	11,114,527	-
Prepayments, other receivables and assets	321,307	-	321,307
Investment property	266,400	-	266,400
Intangible assets	10	10	-
Property and equipment	4,795,838	2,796,107	1,999,731
Statutory deposits	900,400	900,400	-
<b>Total assets (A)</b>	<b>55,018,300</b>	<b>48,950,407</b>	<b>6,067,893</b>
<b>Liabilities</b>			
Investment contract liabilities	335,341	335,341	-
Insurance contract liabilities	26,949,414	26,949,414	-
Trade Payable	3,598,834	3,598,834	-
Other payables and accruals	1,984,245	1,984,245	-
Current tax liabilities	211,579	211,579	-
Deferred tax liabilities	712,026	-	712,026
<b>Total liabilities (B)</b>	<b>33,791,439</b>	<b>33,079,413</b>	<b>712,026</b>

Solvency Margin (A-B)= C

15,870,994

Check To:

Minimum to be maintained:

The higher of 15% of net premium

2,722,322

and

Minimum paid-up capital (D)

5,000,000 (5,000,000)

Solvency Margin (Surplus/Deficit) (C- D)

10,870,994

Solvency level (%)

317%

Notes to the financial statements  
For the year ended 31 December 2024

2.2 Approach to capital management - continued

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

According to Nature	Total	Admissible	Inadmissible
Assets	₺'000	₺'000	₺'000
Cash and Cash Equivalents	1,220,725	1,220,725	-
Treasury Bills	-	-	-
Placement with Financial Institutions	1,063,043	1,063,043	-
Government Bonds	22,707,888	22,707,888	-
Quoted Shares	175,812	175,812	-
Unquoted Shares	309,165	309,165	-
Loan to Policyholders	3,309	3,309	-
Loan to Staff	-	-	-
Premium Receivables	711,271	155,588	555,683
Other Receivables and Prepayments	326,988	-	326,988
Reinsurance Contract Assets	4,837,380	4,837,380	-
Investment Properties/Land & Building	248,202	-	248,202
Property, Land & Equipment; Excluding Land & Building	3,838,641	2,385,497	1,453,144
Statutory Deposit	900,400	900,400	-
Other Assets ( Intangible Assets)	10	10	-
<b>Total assets (A)</b>	<b>36,342,834</b>	<b>33,758,817</b>	<b>2,584,017</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	13,652,251	13,652,251	-
Investment Contract Liabilities	101,182	101,182	-
Reinsurance Contract Liabilities	2,191,644	2,191,644	-
Provision and Other Payables	2,249,068	2,249,068	-
Tax payable	632,608	-	632,608
Other Liabilities (Deferred tax)	165,375	165,375	-
<b>Total liabilities (B)</b>	<b>18,992,128</b>	<b>18,359,520</b>	<b>632,608</b>
<b>Solvency Margin (A-B)= C</b>		<b>15,399,297</b>	

According to Financial Statement line items	Total	Admissible	Inadmissible
Assets			
Cash and cash equivalents	2,283,768	2,283,768	-
Financial assets	23,196,174	23,196,174	-
Trade Receivable	711,271	155,588	555,683
Reinsurance contract assets	4,837,380	4,837,380	-
Prepayments, other receivables and assets	326,988	-	326,988
Investment property	248,202	-	248,202
Intangible assets	10	10	-
Property and equipment	3,838,641	2,385,497	1,453,144
Statutory deposits	900,400	900,400	-
<b>Total assets (A)</b>	<b>36,342,834</b>	<b>33,758,817</b>	<b>2,584,017</b>
<b>Liabilities</b>			
Investment contract liabilities	101,182	101,182	-
Insurance contract liabilities	13,652,251	13,652,251	-
Trade Payable	2,191,644	2,191,644	-
Other payables and accruals	2,249,068	2,249,068	-
Current tax liabilities	632,608	-	632,608
Deferred tax liabilities	165,375	165,375	-
<b>Total Liabilities (B)</b>	<b>18,992,128</b>	<b>18,359,520</b>	<b>632,608</b>
<b>Solvency Margin (A-B)= C</b>		<b>15,399,297</b>	

Check To:

Minimum to be maintained:

The higher of 15% of net premium  
and

Minimum paid-up capital (D)

Solvency Margin (Surplus/Deficit) (C- D)

4,191,841	
5,000,000	(5,000,000)
	<u>10,399,297</u>

Solvency level (%)

308%

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

**Notes to the financial statements**  
For the year ended 31 December 2024

**2.2 Approach to capital management - continued**

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

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

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

**Individual Capital Assessment (ICA)**

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

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

Available capital resources at 31 December, 2024

	Life insurance	Non- life insurance	Total
	₦'000	₦'000	₦'000
Total shareholders' funds per financial statements	5,657,511	15,569,350	21,226,861
Available capital resources	5,657,511	15,569,350	21,226,861

Available capital resources at 31 December 2023

	Life insurance	Non- life insurance	Total
	₦'000	₦'000	₦'000
Total shareholders' funds per financial statements	5,618,391	11,732,316	17,350,706
Available capital resources	5,618,391	11,732,316	17,350,706

- Compliance with statutory minimum capital base requirement

The Company at the end of the 2024 financial year had shareholders' funds of ₦21.22billion (31 Dec 2023: ₦17.35billion) which was 425% (2023: 347%) of the statutory minimum capital base of ₦5billion for composite insurance business. As at the reporting date, the Company complied with the regulatory required minimum capitalization for composite insurance businesses.

**Capital Assessment in line with Finance Act, 2021**

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022, amended the Finance Act, 2021. The Finance Act 2021 (Part IX – Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words "paid-up share capital", with the words "Capital requirement" and wherever they appear in Insurance Act 2003. The words "Capital requirement" was introduced and inserted in Section 102 of the Insurance Act. By the provision of section 35, "Capital Requirement" means -

(a) in the case of existing company -

- (i) the excess of admissible assets over liabilities, less the amount of own shares held by the company,
- (ii) subordinated liabilities subject to approval by the Commission, and
- (iii) any other financial instrument as prescribed by the Commission.

For this purpose, Admissible assets are defined as:

Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;

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

	2024	2023
Share capital	9,000,000	9,000,000
Retained earnings	5,226,652	2,796,566
Contingency reserve	4,062,415	3,314,726
Excess of admissible assets over liabilities	18,289,067	15,111,292
Less the amount of own shares held (Treasury shares)	-	-
	18,289,067	15,111,292
Subordinated liabilities subject to approval by the commission	-	-
Any other financial instruments as prescribed by the commission	-	-
	18,289,067	15,111,292

**2.3 Asset liability management (ALM) framework**

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

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

Notes to the financial statements  
For the year ended 31 December 2024

2.3.1 Asset liability management (ALM) framework - continued

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

31 December 2024 In thousand of naira	Non Life Business			Life Business						TOTAL N'000
	Shareholders' fund	Insurance contract liabilities' fund	Others	Shareholders' fund	Insurance contract liabilities' fund	Investment contract liabilities' fund	Annuity	Others		
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
<b>1. Properties:</b>										
Real Estate	3,666,397	-	-	266,400	-	-	-	-	-	3,932,797
Equipment	189,973	-	-	-	-	-	-	-	-	189,973
Motor Vehicles	785,463	-	-	-	-	-	-	-	-	785,463
Furniture	21,386	-	-	-	-	-	-	-	-	21,386
Others (a)	132,619	-	-	-	-	-	-	-	-	132,619
	<b>4,795,838</b>	<b>-</b>	<b>-</b>	<b>266,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,062,238</b>
<b>2. Investments:</b>										
Loans to Policyholders	-	-	-	-	3,715	-	-	-	-	3,715
Statutory Deposit	500,400	-	-	400,000	-	-	-	-	-	900,400
Financial assets:										
- Amortised cost	10,287,637	10,442,652	-	2,689,801	5,651,159	347,920	-	-	-	29,419,169
- FVOCI	590,673	-	-	82,161	-	-	-	-	-	672,834
Cash and cash equivalents	1,971,138	-	-	1,066,211	-	-	-	-	-	3,037,349
	<b>13,349,848</b>	<b>10,442,652</b>	<b>-</b>	<b>4,238,173</b>	<b>5,654,874</b>	<b>347,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,033,467</b>
<b>3. Reinsurance and Other assets</b>										
Reinsurance assets	-	9,139,584	-	-	1,974,943	-	-	-	-	11,114,527
Other assets	3,173,788	-	-	1,634,280	-	-	-	-	-	4,808,068
	<b>3,173,788</b>	<b>9,139,584</b>	<b>-</b>	<b>1,634,280</b>	<b>1,974,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,922,595</b>
<b>Total</b>	<b>21,319,474</b>	<b>19,582,236</b>	<b>-</b>	<b>6,138,853</b>	<b>7,629,817</b>	<b>347,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,018,300</b>
<b>Funds for the Asset</b>	<b>-</b>	<b>19,441,837</b>	<b>-</b>	<b>-</b>	<b>7,507,576</b>	<b>335,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,284,754</b>
<b>Surplus/(Deficit)</b>	<b>21,319,474</b>	<b>140,399</b>	<b>-</b>	<b>6,138,853</b>	<b>122,241</b>	<b>12,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,733,546</b>
<b>31 December 2023</b>										
<b>In thousands of naira</b>										
<b>TOTAL</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>1. Properties:</b>										
Real Estate	3,119,811	-	-	248,202	-	-	-	-	-	3,368,013
Equipment	136,527	-	-	-	-	-	-	-	-	136,527
Motor Vehicles	518,987	-	-	-	-	-	-	-	-	518,988
Furniture	23,922	-	-	-	-	-	-	-	-	23,922
Others (a)	39,392	-	-	-	-	-	-	-	-	39,393
	<b>3,838,640</b>	<b>-</b>	<b>-</b>	<b>248,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,086,843</b>
<b>2. Investments:</b>										
Loans to Policyholders	-	-	-	-	3,309	-	-	-	-	3,309
Statutory Deposit	500,400	-	-	400,000	-	-	-	-	-	900,400
Financial assets:										
- Held to Maturity	-	-	-	-	-	-	-	-	-	-
- Amortised cost	12,124,216	5,278,206	-	-	5,163,365	142,100	-	-	-	22,707,887
- FVOCI	386,052	-	-	98,925	-	-	-	-	-	484,977
Cash and cash equivalents	1,330,872	-	-	952,896	-	-	-	-	-	2,283,768
	<b>14,341,540</b>	<b>5,278,206</b>	<b>-</b>	<b>1,451,821</b>	<b>5,166,674</b>	<b>142,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,380,341</b>
<b>3. Reinsurance and Other assets</b>										
Reinsurance assets	-	3,270,002	-	-	1,567,378	-	-	-	-	4,837,380
Other assets	378,719	-	-	659,553	-	-	-	-	-	1,038,271
	<b>378,719</b>	<b>3,270,002</b>	<b>-</b>	<b>659,553</b>	<b>1,567,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,875,651</b>
<b>Total</b>	<b>18,558,899</b>	<b>8,548,208</b>	<b>-</b>	<b>2,359,576</b>	<b>6,734,052</b>	<b>142,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,342,835</b>
<b>Funds for the Asset</b>	<b>-</b>	<b>7,363,279</b>	<b>-</b>	<b>-</b>	<b>6,288,974</b>	<b>101,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,753,435</b>
<b>Surplus/(Deficit)</b>	<b>18,558,899</b>	<b>1,184,929</b>	<b>-</b>	<b>2,359,576</b>	<b>445,078</b>	<b>40,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,589,400</b>

Notes to the financial statements

For the year ended 31 December 2024

2.3.1 Asset liability management (ALM) framework - continued

Asset and Liability Management

31 December, 2024 in thousands of Nigerian Naira	Carrying amount	Insurance contract Non-life	Insurance contract Group Life	Investment Contract	Assets cover	Shareholders fund	31 Dec 2024 Total
<b>Assets</b>							
Cash and cash equivalents	3,037,349	-	-	-	-	3,037,349	3,037,349
Financial assets	30,095,718	10,442,652	5,654,874	347,920	16,445,446	13,650,272	30,095,718
Trade receivables	4,486,751	-	-	-	-	4,486,751	4,486,751
Reinsurance contract assets	11,114,527	9,139,584	1,974,943	-	11,114,527	-	11,114,527
Prepayments, other receivables and assets	321,307	-	-	-	-	321,307	321,307
Investment property	266,400	-	-	-	-	266,400	266,400
Intangible assets	10	-	-	-	-	10	10
Property and equipment	4,795,838	-	-	-	-	4,795,838	4,795,838
Statutory deposits	900,400	-	-	-	-	900,400	900,400
<b>Total assets</b>	<b>55,018,300</b>	<b>19,582,236</b>	<b>7,629,817</b>	<b>347,920</b>	<b>27,559,973</b>	<b>27,458,327</b>	<b>55,018,300</b>
<b>Liabilities</b>							
Investment contract liabilities	335,342	-	-	335,342	335,342	-	335,342
Insurance contract liabilities	26,949,414	19,441,838	7,507,576	-	26,949,414	-	26,949,414
Trade Payable	3,598,834	-	-	-	-	3,598,834	3,598,834
Other payables and accruals	1,984,244	-	-	-	-	1,984,244	1,984,244
Deferred tax liabilities	712,026	-	-	-	-	712,026	712,026
Current tax liabilities	211,579	-	-	-	-	211,579	211,579
<b>Total liabilities</b>	<b>33,791,439</b>	<b>19,441,838</b>	<b>7,507,576</b>	<b>335,342</b>	<b>27,284,756</b>	<b>6,506,683</b>	<b>33,791,439</b>
<b>GAP</b>	<b>21,226,861</b>	<b>140,398</b>	<b>122,241</b>	<b>12,578</b>	<b>275,217</b>	<b>20,951,644</b>	<b>21,226,861</b>

31 December, 2023 in thousands of Nigerian Naira	Carrying amount	Insurance contract Non-life	Insurance contract Group Life	Investment Contract	Assets cover	Shareholders fund	31 Dec 2023 Total
<b>Assets</b>							
Cash and cash equivalents	2,283,768	-	-	-	-	2,283,768.30	2,283,768
Financial assets	23,196,174	5,278,206	5,166,674	142,100	10,586,980	12,609,194	23,196,174
Trade receivables	711,271	-	-	-	-	711,271	711,271
Reinsurance contract assets	4,837,380	3,270,002	1,567,378	-	4,837,380	-	4,837,380
Prepayments, other receivables and assets	326,989	-	-	-	-	326,989	326,989
Investment property	248,202	-	-	-	-	248,202	248,202
Intangible assets	10	-	-	-	-	10	10
Property and equipment	3,838,641	-	-	-	-	3,838,641	3,838,641
Statutory deposits	900,400	-	-	-	-	900,400	900,400
<b>Total assets</b>	<b>36,342,835</b>	<b>8,548,208</b>	<b>6,734,052</b>	<b>142,100</b>	<b>15,424,360</b>	<b>20,918,475</b>	<b>36,342,835</b>
<b>Liabilities</b>							
Investment contract liabilities	101,182	-	-	101,182	101,182	-	101,182
Insurance contract liabilities	13,652,251	7,363,280	6,288,974	-	13,652,254	-	13,652,254
Trade Payable	2,191,643	-	-	-	-	2,191,643	2,191,643
Other payables and accruals	2,249,067	-	-	-	-	2,249,067	2,249,067
Deferred commission income	-	-	-	-	-	-	-
Deferred tax liabilities	632,608	-	-	-	-	632,608	632,608
Current tax liabilities	165,375	-	-	-	-	165,375	165,375
<b>Total liabilities</b>	<b>18,992,126</b>	<b>7,363,280</b>	<b>6,288,974</b>	<b>101,182</b>	<b>13,753,436</b>	<b>5,238,693</b>	<b>18,992,129</b>
<b>GAP</b>	<b>17,350,708</b>	<b>1,184,928</b>	<b>445,078</b>	<b>40,918</b>	<b>1,670,924</b>	<b>15,679,783</b>	<b>17,350,706</b>

**Notes to the financial statements**  
For the year ended 31 December 2024

**2.4 Insurance risk**

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

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

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

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The Company's retention limit is presently ₦25,000,000 on any one life (subject to change from time to time).

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

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

**2.4.1 Life insurance contracts**

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

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

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

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

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

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. A Company wide reinsurance limits of ₦15,000,000 on any single life insured are in place.

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

**Key assumptions**

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

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

- Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by underwriting class and contract type.

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

- Longevity

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

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

- Investment return

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

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

- Expenses

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

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

- Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

- Discount rate

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

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

**Notes to the financial statements**

For the year ended 31 December 2024

**2.4 Insurance Risk-continued**

**Portfolio assumptions by type of business impacting net liabilities**

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

Type of life contracts

Type of life contracts	Mortality rates		Expenses		Expense inflation rate		Valuation interest rate	
	2024	2023	2024	2023	2024	2023	2024	2023
Individual life	A7770	A6770	₱9,650 per policy	₱8,450 per policy	24.70%	14.70%	24.00%	16.00%

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

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

**Notes to the financial statements**

For the year ended 31 December 2024

**2.4 Insurance Risk-continued**

*Sensitivities*

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

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

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

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

31 December 2024	Base	Interest rate		Expense		Expense inflation		Mortality	
		1%	-1%	10%	-10%	2%	-2%	5%	-5%
<i>in thousands</i>									
Individual life	1,324,214	13,242	(13,242)	132,421	(132,421)	26,484	(26,484)	66,211	(66,211)
Group life	2,981,546	29,815	(29,815)	298,155	(298,155)	59,631	(59,631)	149,077	(149,077)
Health	491,902	4,919	(4,919)	49,190	(49,190)	9,838	(9,838)	24,595	(24,595)
<b>Total liability</b>	<b>4,797,662</b>	<b>47,977</b>	<b>(47,977)</b>	<b>479,766</b>	<b>(479,766)</b>	<b>95,953</b>	<b>(95,953)</b>	<b>239,883</b>	<b>(239,883)</b>
% change in liability	0%	-99.00%	-101.00%	-90.0%	-110.00%	-98.00%	-102.00%	-95.00%	-105.00%

All stresses were applied independently.

Stresses not applied to individual reinsurance asset due to immateriality.

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

31 December 2023	Base	Interest rate		Expense		Expense inflation		Mortality	
		1%	-1%	10%	-10%	2%	-2%	5%	-5%
Individual life	1,034,210	10,342	(10,342)	103,421	(103,421)	20,684	(20,684)	51,710	(51,710)
Group life	1,640,229	16,402	(16,402)	164,023	(164,023)	32,805	(32,805)	82,011	(82,011)
Health	203,182	2,032	(2,032)	20,318	(20,318)	4,064	(4,064)	10,159	(10,159)
<b>Total liability</b>	<b>2,877,621</b>	<b>28,776</b>	<b>(28,776)</b>	<b>287,762</b>	<b>(287,762)</b>	<b>57,552</b>	<b>(57,552)</b>	<b>143,881</b>	<b>(143,881)</b>
% change in liability	0.0%	-99.0%	-101.0%	-90.0%	-110.0%	-98.0%	-102.0%	-95.0%	-105.0%

## Notes to the financial statements

For the year ended 31 December 2024

### 2.4 Insurance Risk-continued

#### 2 Non-life insurance contracts (which comprise general insurance)

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

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

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

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

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

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

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

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

	31-Dec-24			31-Dec-23		
	Reinsurance on		Net liabilities	Reinsurance on		Net liabilities
	Gross liabilities	liabilities		Gross liabilities	liabilities	
₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	
	Outst. Claims	Recoverable	Net Outst. claims	Outst. Claims	Recoverable	Net Outst. claims
Motor	1,011,415	249,736	761,679	287,983	58,267	229,716
Fire	6,632,654	4,829,411	1,803,243	1,102,296	550,299	551,997
Bond	23,879	9,552	14,327	23,881	8,920	14,961
General accident	1,970,309	1,133,833	836,476	1,027,395	814,850	212,545
Marine and aviation	931,834	187,085	744,749	830,094	119,444	710,650
Engineering	774,378	376,457	397,921	255,682	139,355	116,327
Oil and energy	6,591,995	3,767,068	2,824,927	676,578	297,748	378,830
Agric	33,898	-	33,898	26,422	-	26,422
Aviation	45,449	-	45,449	-	-	-
	<b>18,015,811</b>	<b>10,553,142</b>	<b>7,383,322</b>	<b>4,230,331</b>	<b>1,988,883</b>	<b>2,215,026</b>
Other items of insurance contract liabilities	1,426,026	(1,413,559)	2,839,585	3,132,849	1,281,117	1,851,732
<b>Subtotal</b>	<b>19,441,837</b>	<b>9,139,583</b>	<b>10,222,907</b>	<b>7,363,180</b>	<b>3,270,000</b>	<b>4,066,759</b>
Health insurance	491,902	342,030	149,872	203,182	166,627	36,555
Group life	2,981,546	750,192	2,231,354	1,640,229	491,401	1,148,828
	<b>3,473,448</b>	<b>1,092,222</b>	<b>2,381,226</b>	<b>1,843,411</b>	<b>658,028</b>	<b>1,185,383</b>
Other items of insurance contract liabilities	2,709,912	731,994	1,977,918	3,411,450	869,921	2,541,529
<b>Subtotal</b>	<b>6,183,360</b>	<b>1,824,216</b>	<b>4,359,144</b>	<b>5,254,861</b>	<b>1,527,949</b>	<b>3,726,912</b>
<b>Total</b>	<b>25,625,197</b>	<b>10,963,799</b>	<b>14,582,051</b>	<b>12,618,041</b>	<b>4,797,949</b>	<b>7,793,671</b>

#### Key assumptions

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

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

#### Sensitivities

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

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

Notes to the financial statements

For the period ended 31 December 2024

2.4 Insurance Risk-continued

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

31 December 2024

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Discount Rate	(-1)% Discount Rate
General Accident	1,038,358	51,918	(51,918)	10,384	(10,384)
Engineering	320,851	16,043	(16,043)	3,209	(3,209)
Fire	798,968	39,948	(39,948)	7,990	(7,990)
Marine	548,018	27,401	(27,401)	5,480	(5,480)
Motor	802,252	40,113	(40,113)	8,023	(8,023)
Bond*	15,852	793	(793)	159	(159)
Oil & Gas*	420,915	21,046	(21,046)	4,209	(4,209)
<b>IBNR</b>	<b>4,012,511</b>	<b>200,626</b>	<b>(200,626)</b>	<b>40,125</b>	<b>(40,125)</b>
<b>Gross OCR</b>	<b>14,003,300</b>	<b>700,165</b>	<b>(700,165)</b>	<b>140,033</b>	<b>(140,033)</b>
<b>Others</b>	<b>1,426,026</b>	<b>71,301</b>	<b>(71,301)</b>	<b>14,260</b>	<b>(14,260)</b>
<b>Total</b>	<b>19,441,837</b>	<b>972,092</b>	<b>(972,092)</b>	<b>194,418</b>	<b>(194,418)</b>
Percentage Change		<b>-95.00%</b>	<b>-105.00%</b>	<b>-99.00%</b>	<b>-101.00%</b>

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

31 December 2023

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Discount Rate	(-1)% Discount Rate
General Accident	538,969	26,948	(26,948)	5,390	(5,390)
Engineering	130,316	6,516	(6,516)	1,303	(1,303)
Fire	539,510	26,976	(26,976)	5,395	(5,395)
Marine	260,414	13,021	(13,021)	2,604	(2,604)
Motor	133,555	6,678	(6,678)	1,336	(1,336)
Bond*	15,854	793	(793)	159	(159)
Oil & Gas*	333,892	16,695	(16,695)	3,339	(3,339)
Agric	14,350	718	(718)	144	(144)
Aviation	-	-	-	-	-
<b>IBNR</b>	<b>1,966,860</b>	<b>98,343</b>	<b>(98,343)</b>	<b>19,669</b>	<b>(19,669)</b>
<b>Gross OCR</b>	<b>2,251,399</b>	<b>112,570</b>	<b>(112,570)</b>	<b>22,514</b>	<b>(22,514)</b>
<b>Others</b>	<b>3,144,921</b>	<b>157,246</b>	<b>(157,246)</b>	<b>31,449</b>	<b>(31,449)</b>
<b>Total</b>	<b>7,363,180</b>	<b>210,913</b>	<b>(210,913)</b>	<b>42,183</b>	<b>(42,183)</b>
Percentage Change		<b>-97.14%</b>	<b>-102.86%</b>	<b>-99.43%</b>	<b>-100.57%</b>

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

**Notes to the financial statements**

For the year ended 31 December 2024

**3 Claims development table\_Non-Life**

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

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

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

Claims development table

**Analysis of claims development – Gross**

	2020	2021	2022	2023	2024	Total
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Estimate of ultimates:						
End of accident year	711,601	944,473	1,377,095	1,672,514	2,127,017	6,832,700
1 year later	430,302	1,902,496	-	-	-	2,332,798
2 years later	148,660	-	-	-	-	148,660
3 years later	-	-	-	-	-	-
4 year later	-	-	-	-	-	-
Cumulative Payment	1,290,563	2,846,969	1,377,095	1,672,514	2,127,017	9,314,158
Current estimate of ultimate claims	1,059,376	1,745,863	3,549,025	4,019,246	4,019,246	14,392,757
Current outstanding claims reserve	45,212	80,321	156,548	308,251	475,757	1,066,088
Liability in Statement of Financial Position						<b>4,012,511</b>

**Analysis of claims development – Reinsurance**

	2020	2021	2022	2023	2024	Total
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Estimate of ultimates:						
End of accident year	531,732	751,976	751,976	902,371	1,082,845	4,020,899
1 year later	1,004,543	-	-	-	-	1,004,543
2 years later	-	-	-	-	-	-
3 years later	-	-	-	-	-	-
4 year later	-	-	-	-	-	-
Cumulative Recoveries	1,536,275	751,976	751,976	902,371	1,082,845	5,025,441
Current estimate of ultimate Recoveries	997,636	1,028,014	1,296,712	1,985,726	2,180,135	7,488,223
Current outstanding claims recoveries	31,648	56,225	109,583	215,775	333,030	746,262
Asset in Statement of Financial Position						<b>1,716,520</b>

**Analysis of claims development – Net**

	2020	2021	2022	2023	2024	Total
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Estimate of ultimates:						
End of accident year	179,869	192,498	625,119	770,143	1,044,172	2,811,801
1 year later	(574,241)	1,902,496	-	-	-	1,328,255
2 years later	148,660	-	-	-	-	148,660
3 years later	-	-	-	-	-	-
4 year later	-	-	-	-	-	-
Cumulative Net Payment	(245,711)	2,094,994	625,119	770,143	1,044,172	4,288,716
Current estimate of net ultimate claims	61,740	717,849	2,252,313	2,033,520	1,839,111	6,904,534
Current net outstanding claims reserve	13,564	24,096	46,964	92,475	142,727	319,827
Net Liability in Statement of Financial Position						<b>2,295,991</b>

## Notes to the financial statements

For the year ended 31 December 2024

### 4 Financial risk management

#### 4.1 Introduction and Overview

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

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

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

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

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

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

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

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

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

The Company's credit risk tolerance includes the following:

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

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

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

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

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

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

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

- **Client/counterparty risk rating:** evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.
- **Transaction risk rating:** defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals (e.g. guarantees, and equitable and legal mortgages).

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

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

**Notes to the financial statements**

For the year ended 31 December 2024

**4.1 Financial risk management - continued**

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

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

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

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

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

*Credit exposure*

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

	Notes	31-Dec-2024 R'000	31-Dec-2023 R'000
<b>Financial instruments</b>			
Due from banks and other financial institutions	17(a)	3,036,079	2,283,609
Financial assets at amortised cost	18	29,422,884	22,711,197
Trade receivables	19	4,486,751	711,271
Other receivables *	21(c)	10,783	20,004
Statutory deposits	26	900,400	900,400
<b>Total credit risk exposure</b>		<b>37,856,897</b>	<b>26,626,481</b>

\*Excluded from other receivables are prepaid expenses and withholding tax receivables

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

**Concentration of credit risk by sector**

	31-Dec-2024 R'000	31-Dec-2023 R'000
Government Sector	29,422,884	22,711,197
Banking and other financial sector	3,036,079	2,283,609
Insurance sector	4,486,751	711,271
Others	911,183	920,404
	<b>37,856,897</b>	<b>26,626,481</b>

**Notes to the financial statements**

For the year ended 31 December 2024

**4.1 Financial risk management-continued**

**Analysis of financial assets by portfolio distribution**

**31 December 2024**

Notes	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Due from banks and other financial institutions	3,062,386	-	-	3,062,386
Financial assets at amortized cost	29,525,251	-	-	29,525,251
Statutory deposit	900,400	-	-	900,400
	<u>33,488,037</u>	<u>-</u>	<u>-</u>	<u>33,488,037</u>

**31 December 2023**

Notes	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Due from banks and other financial institutions	2,297,912	-	-	2,297,912
Financial assets at amortized cost	22,749,662	-	-	22,749,662
Statutory deposit	900,400	-	-	900,400
	<u>25,947,974</u>	<u>-</u>	<u>-</u>	<u>25,947,974</u>

**Credit quality**

**Amount arising from ECL**

*Significant increase in credit risk*

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

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

**Inputs, assumptions and techniques used for estimating impairment.**

*Modified financial assets*

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

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

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

The Company did not have any modified financial asset as at 31 December, 2024

*Definition of default*

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

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

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

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

*Incorporation of forward-looking information*

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

The Company has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2024 included the forecasted GDP average growth rate of 3.40% (premised on IMF Gross Domestic Product (GDP) forecast for Nigeria).

**Notes to the financial statements**  
For the year ended 31 December 2024

**4.1 Financial risk management-continued**

*Measurement of ECL*

The key inputs into the measurement of ECL are the term structures of the following variables;

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

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

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. They are calculated on a discounted cash flow basis using the effective interest rates as the discounting factor. The LGD ratings were obtained from S&P and calibrated using Moody ratings as at 30 October 2024.

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

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

**Due from banks and other financial institutions**

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	3,062,386	-	-	3,062,386	2,297,912	-	-	2,297,912
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	3,062,386	-	-	3,062,386	2,297,912	-	-	2,297,912
Expected credit loss	(26,307)	-	-	(26,307)	(14,303)	-	-	(14,303)
Total Net Amount	<b>3,036,079</b>	-	-	<b>3,036,079</b>	<b>2,283,609</b>	-	-	<b>2,283,609</b>

**Due from banks and other financial institutions**

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

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	2,297,912	-	-	2,297,912	2,671,203	-	-	2,671,203
New assets originated or purchased	3,062,386	-	-	3,062,386	2,297,912	-	-	2,297,912
Assets derecognised or repaid (excluding write offs)	(2,297,912)	-	-	(2,297,912)	(2,671,203)	-	-	(2,671,203)
At the end of the year	<b>3,062,386</b>	-	-	<b>3,062,386</b>	<b>2,297,912</b>	-	-	<b>2,297,912</b>
ECL allowance								
Opening balance	14,303	-	-	14,303	10,326	-	-	10,326
Assets derecognised or repaid	(14,303)	-	-	(14,303)	(10,326)	-	-	(10,326)
New assets originated or purchased	26,307	-	-	26,307	14,303	-	-	14,303
Impairment loss	12,004	-	-	12,004	3,977	-	-	3,977
At the end of the year	<b>26,307</b>	-	-	<b>26,307</b>	<b>14,303</b>	-	-	<b>14,303</b>

**Financial assets at amortised cost**

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	29,525,251	-	-	29,525,251	22,749,661	-	-	22,749,661
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	29,525,251	-	-	29,525,251	22,749,661	-	-	22,749,661
Expected credit loss	(102,367)	-	-	(102,367)	(38,465)	-	-	(38,465)
Total Net Amount	<b>29,422,884</b>	-	-	<b>29,422,884</b>	<b>22,711,196</b>	-	-	<b>22,711,196</b>

**Financial assets at amortised cost**

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

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	22,749,661	-	-	22,749,661	16,058,354	-	-	16,058,354
New assets originated or purchased	8,557,282	-	-	8,557,282	8,069,918	-	-	8,069,918
Assets derecognised or repaid (excluding write offs)	(1,781,692)	-	-	(1,781,692)	(1,378,611)	-	-	(1,378,611)
At the end of the year	<b>29,525,251</b>	-	-	<b>29,525,251</b>	<b>22,749,661</b>	-	-	<b>22,749,661</b>
ECL allowance								
Opening balance	38,465	-	-	38,465	36,632	-	-	36,632
New assets originated or purchased	102,367	-	-	102,367	38,465	-	-	38,465
Assets derecognised or repaid	(38,465)	-	-	(38,465)	(36,632)	-	-	(36,632)
Changes ECL on debt instruments at FVOCI (Note 14)	63,902	-	-	63,902	1,833	-	-	1,833
At the end of the year	<b>102,367</b>	-	-	<b>102,367</b>	<b>38,465</b>	-	-	<b>38,465</b>

**Other receivables**

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Investment grade	-	-	-	-	-	-	-	-
Non-investment grade (satisfactory)	383,867	-	-	383,867	195,788	-	-	195,788
Non-investment grade (unsatisfactory)	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	-	-
Total Gross Amount	383,867	-	-	383,867	195,788	-	-	195,788
Expected credit loss	(373,084)	-	-	(373,084)	(175,784)	-	-	(175,784)
Total Net Amount	<b>10,783</b>	-	-	<b>10,783</b>	<b>20,004</b>	-	-	<b>20,004</b>

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

<i>in thousands of Nigerian Naira</i>	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	195,788	-	-	195,788	164,200	-	-	164,200
New assets originated or purchased	222,799	-	-	222,799	51,910	-	-	51,910
Assets derecognised or repaid (excluding write offs)	(34,720)	-	-	(34,720)	(20,322)	-	-	(20,322)
At the end of the year	<b>383,867</b>	-	-	<b>383,867</b>	<b>195,788</b>	-	-	<b>195,788</b>

**Measurement of ECL**

<i>in thousands of Nigerian Naira</i>	Note	31 December 2024				31 December 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance		175,784	-	-	175,784	178,836	-	-	178,836
New assets originated or purchased		197,300	-	-	197,300	-	-	-	-
Assets derecognised or repaid (excluding write offs)		-	-	-	-	(3,052)	-	-	(3,052)
Changes in ECL (note 14)		197,300	-	-	197,300	(3,052)	-	-	(3,052)
At the end of the year		<b>373,084</b>	-	-	<b>373,084</b>	<b>175,784</b>	-	-	<b>175,784</b>

*Other financial receivables relates to other assets excluding prepaid expenses*

**Notes to the financial statements**

For the year ended 31 December 2024

**4.1 Financial risk management - continued**

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

	Notes	Weighted average loss rate	Gross carrying amount	Expected credit loss allowance
			₹'000	₹'000
<b>31 December 2024</b>				
Due from banks and other financial institutions	17	0.86%	3,062,386	(26,307)
Financial assets at amortised cost	18(a)	0.35%	29,525,251	(102,367)
Trade receivables	19	3%	4,618,719	(131,968)
Other receivables*	21(c)	97%	383,867	(373,084)
Statutory deposit		0%	900,400	-
			38,490,623	(633,726)
<b>31 December 2023</b>				
Due from banks and other financial institutions	17	1%	2,297,912	(14,303)
Financial assets at amortised cost	18(a)	0.17%	22,749,662	(38,465)
Trade receivables	19	9%	784,405	(73,134)
Other receivables*	21(c)	90%	195,788	(175,784)
Statutory deposit		0%	900,400	-
			26,928,167	(301,686)

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

	12 month ECL	Life time ECL non credit impaired	Life time ECL credit impaired	Total
<b>31 December 2024</b>				
Due from banks and other financial institutions	(26,307)	-	-	(26,307)
Financial assets at amortised cost	(102,367)	-	-	(102,367)
Trade receivables	-	-	(131,968)	(131,968)
Other receivables*	-	-	(373,084)	(373,084)
	(128,674)	-	(505,052)	(633,726)

	12month ECL	Life time ECL non credit impaired	Life time ECL credit impaired	Total
<b>31 December 2023</b>				
Due from banks and other financial institutions	(14,303)	-	-	(14,303)
Financial assets at amortised cost	(38,465)	-	-	(38,465)
Trade receivables	-	-	(73,134)	(73,134)
Other receivables*	-	-	(175,784)	(175,784)
	(52,768)	-	(248,918)	(301,686)

## Notes to the financial statements

For the year ended 31 December 2024

### Cash and Cash equivalents

The company held cash and cash equivalent of N3.037billion as at 31 December 2024 (2023:NN2.28 billion). The cash and cash equivalent are held with Bank and financial institution counterparty which are rated AA to CCC based on fitch ratings.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflected the short maturities of the exposures. The Company considers that its cash and cash equivalents have low to medium credit risk based on the external credit rating of the counter parties.

The Company uses a similar approach for assessment of ECLs on cash and cash equivalents to those used for debt securities. N12 million impairment allowance was recognised during the period, bringing the balance from N14.3 million in 2023 to N26.3 million being the closing balance at at 31 December 2024

## 4.2 Liquidity risk

Liquidity risk is the inability of a business to meet its obligations associated with financial liabilities that are settled by delivering of cash or another financial instrument on a timely basis. It is also the inability of a business to take advantage of business opportunities and sustain the growth target in its business strategy due to liquidity constraints or difficulty in obtaining funding at a reasonable cost. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Liquidity risk exposure is strongly related to the credit and investment risk profile. For instance, an increase in our credit risk exposure may increase our liquidity risk profile; poor performance of the investment portfolio may have severe liquidity risk implications for the Company.

The Company's strategy for managing liquidity risks are as follows:

- Maintain a good and optimum balance between having sufficient stock of liquid assets, profitability and investment needs
- Ensure strict credit control and an effective management of receivables
- Ensure unrestricted access to financial markets to raise funds
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans
- Adhere to the liquidity risk control limits
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- Communicate to all relevant staff the liquidity risk management objectives and control limits

The liquidity risk appetite shall be defined using the following parameters:

- Liquidity gap limits
- Liquidity ratios as mentioned below

These ratios are monitored by the Management Risk Committee.

The Liquidity Risk Management Governance Structure comprises the board of directors, ERM Committee, Management Risk Committee, Technical operations department, Risk management department and Internal audit department.

The following early warning indicators are used to promptly identify liquidity risks:

- Negative trends in cash forecast
- Volume of outstanding premium
- Decline in earnings performance or projections
- Exceeding liquidity limits as indicated by relevant metrics
- Deteriorating third-party ratings of the Company
- Scenario and sensitivity analysis

## **Notes to the financial statements**

*For the year ended 31 December 2024*

The following approaches are adopted to assess liquidity risk exposures:

- Liquidity ratio analysis
- Cash flow analysis
- Scenario and sensitivity analysis

Liquidity ratios are used to assess the ability to meet short-term obligations. The relevant ratios include the following:

- Claims ratio
- Receivables to capital ratio
- Ratio of technical provision to capital
- Maximum exposure for single risk to capital ratio
- Maximum exposure for a single event to capital
- Retention rate

Cash flow analysis shows the net future cash flows of various time-bands. The Company uses cash flow analysis (cash forecasting) to compare cash inflows and outflows daily and over a series of time bands (weekly, monthly, quarterly, bi-annually and yearly). The Company's net funding requirement is determined by analyzing the present and future cash flows at selected maturity dates, based on assumptions about the income and expenditures. This analysis will include the cumulative net excess or shortfall over the period of the analysis.

Liquidity risk is measured by performing scenario and sensitivity analyses based on various stress factors that differ in terms of probability, severity and duration.

Scenarios are applied, based on normal business operations and on crisis, to determine the potential impact on funding requirements.

Based on the results of the stress test and scenario analysis, the following activities are performed:

- Quantify liquidity outflows in all stress scenario for each liquidity risk drive
- Identify cash inflows to close liquidity gaps under all stress scenarios
- Determine net liquidity position for each scenario

In managing liquidity risk mitigation and control, one way is having access to financial markets. This is by ensuring that the Company has sufficient and unhindered access to funding from a range of sources in the financial markets, also assessing periodically the ability to obtain funds in both local and foreign currencies.

The Risk management department maintains an independent liquidity risk-reporting framework that consistently communicates liquidity risk information across the Company and ensures availability of timely information for liquidity management decisions.

### ***Maturity profiles***

The table that follows summarizes the maturity profile of the non-derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable.

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

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Reinsurance assets have been presented on the same basis as insurance liabilities. Loans and receivables include contractual interest receivable.

**Notes to the financial statements**

For the year ended 31 December 2024

**4. Financial risk management - continued**

**Maturity profile of financial assets and liabilities:**

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

31 December 2024

Notes	Gross nominal		1-3 months	3-6 months	6-12 months	> 1 year	
	Carrying amount	value					
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	
<b>Financial assets</b>							
Cash and cash equivalents	17	3,037,349	3,063,656	2,581,747	481,909	-	-
Financial assets at amortised cost	18	29,422,884	32,365,173	2,589,214	4,854,776	8,091,293	16,829,890
Financial assets at fair value through OCI	18	672,834	672,834	-	-	-	672,834
Trade receivables	19	4,486,751	4,486,751	2,692,051	1,794,700	-	-
Other receivables(excluding prepayment & WHT receivable)	21	383,867	383,867	383,867	-	-	-
Reinsurance contract assets	20	11,401,841	14,509,864	1,773,320	3,218,195	6,570,399	2,947,950
Statutory deposits	26	900,400	900,400	-	-	-	900,400
		<b>50,305,926</b>	<b>56,382,546</b>	<b>10,020,198</b>	<b>10,349,581</b>	<b>14,661,692</b>	<b>21,351,074</b>
<b>Financial liabilities</b>							
Trade payables	29	3,598,834	3,598,834	3,598,834	-	-	-
Other payables*	30	1,139,806	1,139,806	1,139,806	-	-	-
Investment contract liabilities	27	335,341	368,875	92,978	87,271	132,114	56,512
Insurance contract liabilities	28	26,949,414	32,527,489	5,006,212	11,567,913	13,629,004	2,324,360
		<b>32,023,395</b>	<b>37,635,004</b>	<b>9,837,830</b>	<b>11,655,184</b>	<b>13,761,118</b>	<b>2,380,872</b>
<b>Net financial &amp; policyholder assets</b>		<b>18,282,532</b>	<b>18,747,542</b>	<b>182,368</b>	<b>(1,305,603)</b>	<b>900,574</b>	<b>18,970,202</b>

31 December 2023

Notes	Gross nominal		1-3 months	3-6 months	6-12 months	1-5 years	
	Carrying amount	value					
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	
<b>Financial assets</b>							
Cash and cash equivalents	17	2,283,768	2,298,071	1,378,843	919,228	-	-
Financial assets at amortised cost	18	22,711,197	23,738,557	1,816,896	1,498,396	6,813,359	12,582,546
Financial assets at fair value through OCI	18	484,977	484,977	-	-	-	484,977
Trade receivables	19	711,271	711,271	711,271	-	-	-
Other receivables (excluding prepayment & WHT receivables)	21	20,004	20,004	20,004	-	-	-
Reinsurance contract assets	20	4,837,380	5,321,118	2,288,081	2,394,503	425,689	212,845
Statutory deposit	26	900,400	900,400	-	-	-	900,400
		<b>31,948,997</b>	<b>33,474,398</b>	<b>6,215,094</b>	<b>4,812,128</b>	<b>7,239,049</b>	<b>14,180,768</b>
<b>Financial liabilities</b>							
Trade payables	29	3,160,449	3,160,449	3,160,449	-	-	-
Other payables*	30	685,258	685,258	685,258	-	-	-
Investment contract liabilities	27	101,182	111,300	20,034	24,486	28,938	37,842
Insurance contract liabilities	28	13,652,251	15,272,251	3,054,450	3,818,063	7,025,235	1,374,503
		<b>17,599,140</b>	<b>19,229,258</b>	<b>6,920,191</b>	<b>3,842,549</b>	<b>7,054,173</b>	<b>1,412,345</b>
<b>Net financial &amp; policyholder assets</b>		<b>14,349,857</b>	<b>14,245,140</b>	<b>(705,097)</b>	<b>969,579</b>	<b>184,875</b>	<b>12,768,423</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

### 4. Financial risk management - continued

#### 4.3 Market risk

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

##### - Foreign exchange risk

The Company is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Company is exposed to bank balances in foreign currencies.

The carrying amounts of the foreign currency denominated assets and liabilities as at end of the year are as follows:

31 December 2024	USD ¥'000	EUR ¥'000	GBP ¥'000	Total ¥'000
Cash and bank balances	103,510	852	650	105,012
Eurobonds	6,356,407	-	-	6,356,407
Unquoted equities	54,369	-	-	54,369
31 December 2023	USD ¥'000	EUR ¥'000	GBP ¥'000	Total ¥'000
Cash and bank balances	338,110	3,921	409	342,440
Eurobonds	5,201,881	-	-	5,201,881
Unquoted equities	54,369	-	-	54,369

The following significant exchange rates have been applied:

	Average rates		Year end spot rate	
	2024	2023	2024	2023
US Dollars	1245	761	1538	951
EURO	1334	858	1595	1073
GB Pounds	989	989	1924	1236

##### Foreign exchange sensitivity

Financial assets exposed to foreign exchange risk	Increase by 5% ¥'000	Increase by 10% ¥'000	Decrease by 5% ¥'000	Decrease by 10% ¥'000
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##### 31 December 2024

Financial assets	6,515,788	6,515,788	6,515,788	6,515,788
Effect on profit before tax	325,789	651,579	(325,789)	(651,579)
Taxation @ 30%	(97,737)	(195,474)	97,737	195,474
Effect on profit after tax	228,053	456,105	(228,053)	(456,105)

Financial assets exposed to foreign exchange risk	Increase by 5% ¥'000	Increase by 10% ¥'000	Decrease by 5% ¥'000	Decrease by 10% ¥'000
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##### 31 December 2023

Financial assets	5,598,690	5,598,690	5,598,690	5,598,690
Effect on profit before tax	279,935	559,869	(279,935)	(559,869)
Taxation @ 30%	(83,980)	(167,961)	83,980	167,961
Effect on profit after tax	195,954	391,908	(195,954)	(391,908)

##### - Interest rate risk

The Company is moderately exposed to interest-rate risk through its conservative investment approach with high investment in Fixed Income and Money Market instruments.

Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios. The Company does not have interest bearing liabilities. Fluctuations in interest rates cannot significantly impact the Company's statement of financial position as the Company does not have a floating rate interest bearing asset.

The table below details the interest rate sensitivity analysis of the Company as at 31 December 2024, holding all other variables constant. Based on historical data, 100 and 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

**Notes to the financial statements**

For the year ended 31 December 2024

**4. Financial risk management - continued**

**Interest earning assets**

**31 December 2024**

	1-3 months ₺'000	3-6 months ₺'000	> 6 months ₺'000	Total ₺'000
Cash and bank balances	3,036,079	-	-	3,036,079
Statutory deposit	-	-	900,400	900,400
<b>Total interest earning assets</b>	<b>3,036,079</b>	<b>-</b>	<b>900,400</b>	<b>3,936,479</b>

**Gap**

Increase by 100bp	30,361	-	9,004	39,364.79
Increase by 500bp	151,804	-	45,020	196,823
Decrease by 100bp	(30,361)	-	(9,004)	(39,365)
Decrease by 500bp	(151,804)	-	(45,020)	(196,824)

**31 December 2023**

	₺'000	₺'000	₺'000	₺'000
Cash and bank balances	2,283,609	-	-	2,283,609
Statutory deposit	-	-	900,400	900,400
<b>Total interest earning assets</b>	<b>2,283,609</b>	<b>-</b>	<b>900,400</b>	<b>3,184,009</b>

**Gap**

Increase by 100bp	22,836	-	9,004	31,840
Increase by 500bp	114,180	-	45,020	159,199
Decrease by 100bp	(22,836)	-	(9,004)	(31,840)
Decrease by 500bp	(114,180)	-	(45,020)	(159,200)

Summary of sensitivity of investments to market prices

**31 December 2024**

	as per mkt price ₺'000	at +10% of mkt price ₺'000	at -10% of mkt price ₺'000
<b>Quoted equities</b>			
Non-life	132,924	13,292	(13,292)
Life	110,989	11,099	(11,099)
<b>Total</b>	<b>243,913</b>	<b>24,391</b>	<b>(24,392)</b>

**31 December 2023**

	as per mkt price ₺'000	at +10% of mkt price ₺'000	at -10% of mkt price ₺'000
<b>Quoted equities</b>			
Non-life	126,682	32,008	(12,668)
Life	49,130	3,913	(4,913)
<b>Total</b>	<b>175,812</b>	<b>35,921</b>	<b>(17,582)</b>

## **Notes to the financial statements**

For the year ended 31 December 2024

### **- Equity price risk**

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Company has no significant concentration of price risk.

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

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

The Company is active in money and capital market instruments, and investments in these instruments are basically for liquidity and held-to-maturity purposes. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

A sound market/investment risk management framework is implemented in order to minimize possible losses to capital and earnings arising from volatilities in market factors. The Company stipulates diversification benchmarks by type of instrument and geographical area.

Investment risk is the risk of loss (partial or full) of the principal amount and/or expected returns due to changes in the market variables. Investment risk is managed effectively and on a proactive basis by developing and implementing investment risk management strategies policies and processes.

The Company adopts a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed are commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.
- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or of our key officers
- Businesses are not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.
- A cautious and prudent approach is adopted in engaging in investment and trading activities

The strategic management of the Company's investment portfolio is the fundamental responsibility of the Board Investment Committee (BIC) and senior management. The investment management team is responsible for implementing our policies by executing trade and investment decisions.

In accordance with section 6(2) of the NAICOM guidelines (which is subject to future amendments), the Company invests in any of the following categories of investment assets:

- Bonds, bills and other securities issued or guaranteed by the Federal Government of Nigeria and the Central Bank of Nigeria
- Bankers acceptance and commercial papers guaranteed by issuing bank
- Quoted equities of not more than 50% of insurance fund
- Unquoted equities not more than 10% of insurance fund
- Equipment leasing not more than 5% of insurance fund
- Property for non-life insurance, not more than 25% insurance fund

Investment risk exposures are mitigated by:

- Setting internal investment risk control limits
- Complying with legal investment limits
- Establishing investment approval limits
- Diversification, in order to smoothen out unsystematic risk events in our portfolios
- Clear separation of duties between the unit that initiates and executes trades, and the units that accounts for trade transactions and handle transaction settlement.

The risk management department is responsible for monitoring investment risk exposures while the financial control department provides relevant information to the risk management department for investment risk monitoring.

## Notes to the financial statements

For the year ended 31 December 2024

### 5 Measurement of fair values

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

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

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

#### (a) Financial assets carried at fair value

##### 31 December 2024

	Carrying value	Fair value	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000	₦'000
<i>All carried at FVTOCI</i>					
Unlisted Equity	428,921	428,921	-	-	428,921
Listed Equity	243,913	243,913	243,913	-	-
Total financial assets	672,835	672,835	243,913	-	428,921

##### 31 December 2023

	Carrying value	Fair value	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000	₦'000
<i>All carried at FVTOCI</i>					
Unlisted Equity	309,165	309,165	-	-	309,165
Listed Equity	175,812	175,812	175,812	-	-
Total financial assets	484,977	484,977	175,812	-	309,165

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation.

#### Significant unobservable inputs used in measuring fair value

Information set out below shows the significant unobservable inputs used as at 31 December 2024 and 2023 in measuring available for sale categorized as Level 3 in the fair value hierarchy.

A 5% increase/decrease in the average price will result to a net increase/decrease of N3 million in the fair value of the level 3 financial assets.

The fair value of Level 3 instruments is sensitive to changes in unobservable inputs. Changing one or more of the significant inputs would result in a materially different fair value estimate.

#### Valuation Techniques and Inputs:

The valuation of unlisted equity investments is based on the Discounted Cash Flow (DCF) method, incorporating projected cash flows and a risk-adjusted discount rate. For listed equities in inactive markets, the fair value is adjusted using market comparables and control/illiquidity adjustments, which are unobservable in the current market environment.

**Notes to the financial statements**

For the year ended 31 December 2024

**Reconciliation of level 3 fair values.**

The following table shows a reconciliation for the opening balance to the closing balance for level 3 fair value.

	<b>Unlisted Equity Securities</b>
	<b>N'000</b>
Balance as at 1 January 2023	220,118
Net change in fair value recognised in OCI (unrealised)	89,047
Balance as at 31 December 2023	309,165
	<b>N'000</b>
Balance at 1 January 2024	309,165
Net change in fair value recognised in OCI (unrealised)	119,756
Balance as at 31 December 2024	428,921

**(b) Financial assets not carried at fair value**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

<b>31 December 2024</b>	<b>Carrying</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
FGN bonds	29,286,875	28,994,006	28,994,006	-	-
Treasury Bills	207,548	206,510	206,510	-	-
Staff loan	27,113	-	-	25,757	-
Loans to policy holders	3,715	3,343	-	-	3,343
Total financial assets	29,525,250	29,203,859	29,200,516	25,757	3,343
<b>31 December 2023</b>	<b>Carrying</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>value</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
FGN bonds	22,746,353	22,480,809	22,480,809	-	-
Loans to policy holders	3,309	2,978	-	-	2,978
Total financial assets	22,749,662	22,483,787	22,480,809	-	2,978

**Fair value disclosure for other financial assets**

*Cash and cash equivalents*

Cash and cash equivalents are cash deposits in banks and short term deposits (Placements) with financial institutions. The cash deposit are deemed to be at fair value as no rates are applied and the cash will be made available to the Company on request.

*Reinsurance recoverable*

Reinsurance recoverable are due from reinsurers. There are no market activities for such assets from which observable inputs can be obtained. Management has developed unobservable inputs using the best information available which is the actual value due from the reinsurers. This is deemed to be the fair value as the level of measurement uncertainty is low and are based on predetermined arrangements.

*Premium receivables*

Trade receivables are premiums due from brokers and other intermediaries. Though there is no active market for this group of financial assets, the basis for assessing the risk of the financial assets is based on policy issued by the regulatory body, NAICOM, which can be said to be observable and can be comparable to other companies in the industry. The carrying amount of premium receivable is a reasonable approximation of its fair value, which is receivable on demand.

*Reinsurance contracts payable*

The carrying amount of reinsurance payables is a reasonable approximation of their fair value, which is payable on demand.

*Other payables*

Other payables consist of amount owed to non-trade related creditors

The carrying amount of other payables is a reasonable approximation of their fair value, which is payable on demand.

Notes to the financial statements  
For the year ended 31 December 2024

6 Insurance Revenue

2024 R'000				2023 R'000					
Contract measured under GMM	Contract measured under PAA			Total	Contract measured under GMM	Contract measured under PAA			Total
Group life &				Group life &					
Ind.Life	Health	Non Life	Total	Ind.Life	Health	Non Life	Total		
Expected Insurance Service Expenses incurred in the period	43,457	-	-	43,457	55,916	-	-	55,916	
Expected Release of Risk adjustment	3,813	-	-	3,813	3,256	-	-	3,256	
CSM Release to Profit and loss	17,598	-	-	17,598	393,432	-	-	393,432	
Acquisition Costs Recovered from premium	26,653	-	-	26,653	46,415	-	-	46,415	
	91,521	-	-	91,521	499,019	-	-	499,019	
<b>Short-term insurance contracts measured under Premium Allocation Approach</b>	-	8,143,537	19,874,455	28,017,992	-	8,055,385	11,270,489	19,325,874	
<b>Insurance Revenue</b>	91,521	8,143,537	19,874,455	28,109,513	499,019	8,055,385	11,270,489	19,824,893	

7 Profit on deposit administration

Income  
Interest income

Expense

Guaranteed interest (see note 27)

Profit on deposit administration

2024 R'000	2023 R'000
20,974	13,126
20,974	13,126
(8,825)	(7,226)
(8,825)	(7,226)
12,149	5,900

8 Insurance Service Expenses

2024 R'000				2023 R'000					
Contract measured under GMM	Contract measured under PAA			Total	Contract measured under GMM	Contract measured under PAA			Total
Group life &				Group life &					
Ind.Life	Health	Non Life	Total	Ind.Life	Health	Non Life	Total		
Incurred claims	126,453	6,451,198	18,412,329	24,989,980	89,189	3,784,181	3,809,843	7,683,213	
Other directly attributable service expenses	8,561	-	104,533	113,094	17	-	82,889	82,906	
Adjustments to liabilities for incurred claims	42,570	2,077,730	2,217,387	4,337,687	-	224,270	550,931	775,201	
Losses and reversals of losses on onerous contracts	-	228,329	(5,058)	223,271	-	-	(5,374)	(5,374)	
Amortisation of insurance acquisition cash flows	26,654	1,563,897	4,028,937	5,619,488	51,256	2,406,862	2,631,222	5,089,340	
<b>Total Insurance Service Expenses</b>	204,238	10,321,154	24,758,128	35,283,520	140,462	6,415,314	7,069,511	13,625,287	

9 Net (income)/expense from reinsurance contracts held

2024 R'000				2023 R'000					
Contract measured under GMM	Contract measured under PAA			Total	Contract measured under GMM	Contract measured under PAA			Total
Group life &				Group life &					
Ind.Life	Health	Non Life	Total	Ind.Life	Health	Non Life	Total		
Allocation of reinsurance premiums	50,447	1,835,007	8,649,432	10,534,886	24,628	2,832,537	5,418,491	8,275,656	
Recoveries on incurred claims and expenses	-	(5,800,487)	(9,796,917)	(15,597,404)	-	(2,119,381)	(1,786,486)	(3,905,867)	
Changes in the loss recovery component	-	(128,566)	-	(128,566)	-	-	-	-	
Acquisition income earned	(9,642)	(195,568)	(1,418,959)	(1,624,169)	(2,222)	(159,151)	(896,540)	(1,057,913)	
<b>Net (income)/expense from reinsurance contracts held</b>	40,805	(4,289,614)	(2,566,444)	(6,815,253)	22,406	554,005	2,735,465	3,311,876	

10 Net Investment income

10 (a) Investment income:

Interest income using the effective interest method:

Financial assets at amortised cost - Interest income (Note 18 (c) (i) )

Financial assets at FVOCI- Interest income (Note 18 (c) (ii) )

Cash and cash equivalents - Interest income (Note 17)

Other investment income

Dividend income

(Loss)/Gain on financial assets disposal

Statutory deposit - Interest income

10 (b) Commissions and charges

Commission and charges on investment activities

2024 R'000	2023 R'000
2,681,330	1,813,115
-	-
242,974	190,237
2,924,304	2,003,352
21,897	10,519
(34,129)	433
105,689	44,315
93,457	55,267
3,017,761	2,058,619
-	(6,877)
3,017,761	2,051,742

Notes to the financial statements

For the year ended 31 December 2024

11(a) Other income

	2024	2023
	R'000	R'000
<b>Net foreign exchange gain (see note 11(a)(ii) below)*</b>		
<i>Unrealized : Cash and cash equivalents</i>	238,424	222,099
<i>Other financial assets</i>	4,102,000	2,550,983
<b>Net unrealized foreign exchange loss(gain)</b>	<b>4,340,424</b>	<b>2,773,082</b>
<i>Realized : Cash and cash equivalents</i>	485,458	228,075
<i>Other financial assets</i>	-	-
<b>Net realized foreign exchange loss(gain)</b>	<b>485,458</b>	<b>228,075</b>
<b>Net foreign exchange loss(gain)</b>	<b>4,825,882</b>	<b>3,001,157</b>
Interest on staff loans (Notional interest) (note 18(c))	515	251
Other sundry income (note 11(a)(i))	374	6,816
Profit on disposal of property and equipment	42,044	-
	<b>4,868,815</b>	<b>3,008,224</b>

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

11(a)(i) Other sundry income relates to cash/money received by the Company that could not be recognised as premium due to the expiration of the cover/policy year.i.e the coverage period has expired prior to provision of information with respect to the inflow.

	2024	2023
	R'000	R'000
<b>11(a)(ii) Breakdown of net foreign exchange gain</b>		
Cash and cash equivalents	723,882	450,173
Financial assets - amortised cost	4,102,000	2,550,983
	<b>4,825,882</b>	<b>3,001,157</b>

12 Fair value gain/(loss) on investment property

	2024	2023
	R'000	R'000
Fair value gain/(loss) on investment property (see note 22)	18,198	(11,588)
	<b>18,198</b>	<b>(11,588)</b>

13A Net finance (income)/expenses from insurance contract issued

	2024				2023			
	R'000				R'000			
	Group life & Health		Non Life		Group life & Health		Non Life	
	Ind.Life	Health	Non Life	Total	Ind.Life	Health	Non Life	Total
Interest accreted to insurance contracts	(4,752)	(76,220)	(1,282,274)	(1,363,246)	148,721	35,896	283,250	467,867
Effect of differences between current rates and locked-in rates when measuring changes in estimates	(1,599)	(1,991)	(1,203,633)	(1,207,223)	4,065	5,060	60,071	69,196
Effect of changes in interest rates and other financial assumption	(4,627)	(2,492)	(3,043,006)	(3,050,125)	37,180	6,334	9,390	52,904
<b>Net finance (income)/expenses from insurance contracts held</b>	<b>(10,978)</b>	<b>(80,703)</b>	<b>(5,528,913)</b>	<b>(5,620,594)</b>	<b>189,966</b>	<b>47,290</b>	<b>352,711</b>	<b>589,967</b>

13B Net finance (expense)/income from reinsurance contract held

	2024				2023			
	R'000				R'000			
	Group life & Health		Non Life		Group life & Health		Non Life	
	Ind.Life	Health	Non Life	Total	Ind.Life	Health	Non Life	Total
Interest accreted to reinsurance contracts	(5,780)	(5,600)	(1,108,906)	(1,120,286)	1,924	4,488	121,007	127,419
Effect of differences between current rates and locked-in rates when measuring changes in estimates	(123)	(222)	(1,122,702)	(1,123,047)	137	96	25,224	25,457
Effect of changes in interest rates and other financial assumption	(489)	(1,161)	(663,760)	(665,410)	3,877	2,714	3,511	10,102
<b>Net finance (expense)/income from reinsurance contracts held</b>	<b>(6,392)</b>	<b>(6,983)</b>	<b>(2,895,368)</b>	<b>(2,908,743)</b>	<b>5,938</b>	<b>7,298</b>	<b>149,742</b>	<b>162,978</b>

14 Credit loss expense/(reversal) on financial assets

	2024	2023
	R'000	R'000
Credit loss expense on cash and cash equivalents (see note 17(b))	12,004	6,802
Credit loss expense on financial assets at amortised cost (see note 18(a))	63,902	1,833
Credit loss expense on trade receivables (see note 19(c)(i))	386,359	-
Credit loss expense/(reversal) on other receivables (see note 21(c))	197,300	(3,052)
	<b>639,365</b>	<b>5,383</b>

15 Other operating expenses

	2024	2023
	R'000	R'000
Personnel expenses (Note 15a)	2,161,382	1,843,084
Other management expenses (Note 15b)	4,005,230	2,452,418
	<b>6,166,612</b>	<b>4,295,502</b>

15(a) Personnel expenses

	2024	2023
	R'000	R'000
Salaries and wages	1,802,712	1,622,154
Medical	71,651	55,725
Staff training	121,037	81,584
Prepaid staff benefit expensed	70,363	-
Employer's Pension contribution	50,939	43,047
ITF & staff insurances	44,680	40,574
	<b>2,161,382</b>	<b>1,843,084</b>

**Notes to the financial statements**

For the year ended 31 December 2024

**15(b) Other management expenses**

	2024	2023
	N'000	N'000
Depreciation (note 25)	322,553	246,248
Board and AGM expenses	617,139	100,067
NAICOM and other regulatory fees	328,227	258,593
Direct expenses*	259,864	372,649
Advertisement and publicity	284,635	214,184
Directors' emoluments - Note 38 (b)	350,372	100,067
Repairs and maintenance	144,026	128,003
Professional fees***	104,370	81,303
Marketing expenses	753,560	449,254
Electricity and diesel expenses	211,966	101,742
Auditor's remuneration	42,000	38,000
Other professional service by auditor****	15,000	-
Rent and rates**	48,755	44,086
Subscription	160,753	101,239
Printing and stationery	15,963	27,177
Postage and Telephone	11,846	11,139
Transport and travel expenses	186,922	82,249
Fueling	87,154	55,920
Cleaning	35,880	19,561
Donations and charity expenses	8,235	5,325
Security	13,537	8,457
Amortization (note 24)	-	4,400
Filing fees	2,473	2,755
	4,005,230	2,452,418

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

\*\*This relates to expenses incurred on rent of property whose rent terms is less than 12 calendar months

\*\*\* This relates to fees paid to other professionals who rendered services to the entity during the year such legal services,property valuation,consultancy etc.

\*\*\*\*Other Professional Service by Auditor" represents Internal Control Over Financial Reporting (ICFR) Certification. This service, in the Company's opinion, did not impair the independence and objectivity of the external auditor and were duly approved by the Board of Directors on the recommendation of Audit Committee".

Name of the Signing Partner	FRC Number	Service Rendered	Amount(N'000)
Jamiu Olakisan	FRC/2013/PRO/ICAN/004/00000003918	ICFR Certification	15,000

**16 Earnings per share**

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

There are no potential dilutive shares.

	2024	2023
Profit attributable to equity holders (N'000)	3,177,776	3,095,363
Weighted average number of ordinary shares in issue ('000)	18,000,000	18,000,000
Basic and diluted earnings per share (kobo)	18	17

**17 Cash and cash equivalents**

Cash and cash equivalents comprise:

	2024	2023
	N'000	N'000
Cash in hand	1,270	159
Due from banks and other financial institutions (see notes 17(b) below) (net)	3,036,079	2,283,609
	3,037,349	2,283,768

**17 (a) For cash flow purpose, cash and cash equivalents comprise:**

	2024	2023
	N'000	N'000
Cash in hand	1,270	159
Current accounts	1,146,596	1,234,869
Short term placements	1,915,790	1,063,043
Cash and cash equivalents per statement of cash flows	3,063,656	2,298,071
Allowance for expected credit loss on cash and cash equivalents (see note 17(b))	(26,307)	(14,303)
Cash and cash equivalents per statement of financial position	3,037,349	2,283,768

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

**17 (b) Due from banks and other financial institutions**

	2024	2023
	N'000	N'000
Current accounts	1,146,596	1,234,869
Short term placements	1,915,790	1,063,043
	3,062,386	2,297,912
Allowance for expected credit loss on cash and cash equivalents (see notes 17(b)i)	(26,307)	(14,303)
	3,036,079	2,283,609

**17 (b)i Movement in impairment**

	2024	2023
	N'000	N'000
At 1 January	14,303	7,501
Credit loss charge during the year	12,004	6,802
At 31 December	26,307	14,303
<i>Analysis of Interest on cash and cash equivalent</i>		
Interest Received on cash and equivalent during the year	216,247	168,427
Interest Accrued on cash and equivalent during the year	26,727	21,810
<b>Total Interest on cash and cash equivalent</b>	242,974	190,237

Notes to the financial statements

For the year ended 31 December 2024

18 Financial assets

	2024	2023
	R'000	R'000
Amortized cost (note 18(a))	29,422,884	22,711,197
Fair value through other comprehensive income (note 18(b))	672,834	484,977
	<u>30,095,718</u>	<u>23,196,174</u>

18 (a) Financial assets at amortised cost

	2024	2023
	R'000	R'000
Bonds	29,286,875	22,746,353
Treasury Bills	207,548	-
Staff loans	27,113	-
Loans to policy holders	3,715	3,309
	<u>29,525,251</u>	<u>22,749,662</u>
Allowance for expected credit loss on financial asset at amortised cost	(102,367)	(38,465)
	<u>29,422,884</u>	<u>22,711,197</u>

	2024	2023
	R'000	R'000
At 1 January	38,465	36,632
Credit loss charge during the year	63,902	1,833
At 31 December	<u>102,367</u>	<u>38,465</u>

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

	2024	2023
	R'000	R'000
Unlisted equities	428,921	309,165
Listed equities	243,913	175,812
	<u>672,834</u>	<u>484,977</u>

Movement in fair value

	2024	2023
	R'000	R'000
At 1 January	484,977	320,012
Net fair value changes during the year	187,857	164,965
At 31 December	<u>672,834</u>	<u>484,977</u>

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

	2024	2023
	R'000	R'000
Net fair value gain on equity instrument at FVOCI	187,857	164,965
Deferred tax	(18,786)	(16,497)
	<u>169,071</u>	<u>148,468</u>

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

	Amortized Cos	FVOCI	Total
	R'000	R'000	R'000
<b>Balance as at 1 January 2023</b>	16,021,723	320,011	16,341,734
Purchase/additions	3,705,567	-	3,705,567
Exchange gain (Note 11 (a))	2,550,982	-	2,550,982
Repayment and disposals (sale and redemption)	(1,378,609)	-	(1,378,609)
Interest income earned for the year (Note 10(a))	1,813,116	-	1,813,116
Interest income (Notional) on staff loan (note 11(a))	251	-	251
Fair value gain	-	164,966	164,966
Allowance for expected credit loss	(1,833)	-	(1,833)
<b>At 31 December 2023</b>	<b>22,711,197</b>	<b>484,977</b>	<b>23,196,174</b>
Purchase/additions	1,809,281	-	1,809,281
Exchange gain (Note 11 (a))	4,102,000	-	4,102,000
Repayment and disposals (sale and redemption)	(1,817,538)	-	(1,817,538)
Interest income earned for the year (Note 10(a))	2,681,330	-	2,681,330
Interest income (Notional) on staff loan (note 11(a))	515	-	515
Fair value gain	-	187,857	187,857
Allowance for expected credit loss	(63,902)	-	(63,902)
<b>At 31 December 2024</b>	<b>29,422,884</b>	<b>672,834</b>	<b>30,095,718</b>

Notes to the financial statements  
For the year ended 31 December 2024

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

Assets measured at amortised cost	Bonds			Loans to	Total
	Treasury Bills	Staff loans	policy holders		
	₺'000	₺'000	₺'000	₺'000	₺'000
<b>Balance as 1 January 2023</b>	16,000,798	-	5,330	15,595	16,021,723
Purchase/additions	3,703,346	-	-	2,221	3,705,567
Exchange gain	2,550,984	-	-	-	2,550,984
Repayment and disposals (sale and redemption)	(1,358,522)	-	(5,581)	(14,507)	(1,378,610)
Interest income earned for the year	1,813,116	-	-	-	1,813,116
Interest income (Notional) on staff loan	-	-	251	-	251
	22,709,722	-	-	3,309	22,713,031
Credit loss reversal/ (expense) on financial assets at amortised cost	(1,833)	-	-	-	(1,833)
<b>Balance as at 31 December 2023</b>	<b>22,707,888</b>	<b>-</b>	<b>-</b>	<b>3,309</b>	<b>22,711,197</b>
Purchase/additions	1,406,945	384,640	17,253	443	1,809,281
Exchange gain	4,102,000	-	-	-	4,102,000
Repayment and disposals (sale and redemption)	(1,630,225)	(180,768)	(6,545)	-	(1,817,538)
Interest income earned for the year	2,675,579	5,751	-	-	2,681,330
Interest income (Notional) on staff loan	-	-	515	-	515
	29,262,187	209,623	11,223	3,752	29,486,786
Credit loss reversal/ (expense) on financial assets at amortised cost	(77,680)	(2,075)	15,890	(37)	(63,902)
<b>Balance as at 31 December 2024</b>	<b>29,184,508</b>	<b>207,548</b>	<b>27,113</b>	<b>3,715</b>	<b>29,422,884</b>

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

FVOCI	Unlisted	Listed	Total
	equities	equities	
	₺'000	₺'000	₺'000
<b>Balance as 1 January 2023</b>	220,118	99,893	320,011
Purchase/additions*	-	-	-
Repayment and disposals (sale and redemption)	-	-	-
Reclassification	-	-	-
Interest income earned for the year	-	-	-
Fair value gain	89,047	75,919	164,966
Reversal of fair value on matured financial assets	-	-	-
<b>Balance as at 31 December 2023</b>	<b>309,165</b>	<b>175,811</b>	<b>484,976</b>
Purchase/additions	-	-	-
Repayment and disposals (sale and redemption)	-	-	-
Reclassification	-	-	-
Interest income earned for the year	-	-	-
Fair value gain	119,756	68,102	187,858
Reversal of fair value on matured financial assets	-	-	-
<b>Balance as at 31 December 2024</b>	<b>428,921</b>	<b>243,913</b>	<b>672,835</b>

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

Investment in Unlisted Unlisted Entity

Entity	Unit	2024	2023
		₺'000	₺'000
Waica Re	104,032	287,351	186,487
NIA Energy Pool	N/A	141,570	122,678
<b>Total</b>		<b>428,921</b>	<b>309,165</b>

19 Trade receivables

	2024	2023
	₺'000	₺'000
Premium receivables (note 19(a))	1,435,217	155,588
Recoverables from coinsurers on claims paid from Non-life businesses (see note 19(b))	2,281,021	6,214
Recoverables from coinsurers on claims paid from Life businesses (note 19(c))	770,513	549,469
	<b>4,486,751</b>	<b>711,271</b>
Due within 12 months	4,486,751	711,271
Due after 12 months	-	-
<i>Analysis of receivable due within 12 months:</i>		
Within 30 days	2,141,110	674,034
Above 30 days	2,345,641	37,237
	<b>4,486,751</b>	<b>711,271</b>

Recovery from claims paid from coinsurers are amount due from other insurance companies in respect of claims paid to clients on behalf of co-insurers, particularly where the Company led in some policies. It is the Company's policy to ensure prompt payment of claims to clients.

Notes to the financial statements

For the year ended 31 December 2024

19 (a) Premium receivables

Premium receivable from agents, brokers and intermediaries  
Due from insurance companies  
Due from brokers  
Total premium receivable

	2024	2023
	₦'000	₦'000
	78,154	52,056
	1,357,063	103,532
	1,435,217	155,588
	1,435,217	155,588

Movement in Premium receivables

Opening Balance  
Total Premium on all Insurance Contracts during the year  
Deposit for premium  
Premium Received during the year  
Closing Balance

	155,588	167,921
	30,150,491	22,293,974
	(968,805)	(828,470)
	(27,902,057)	(21,477,837)
	1,435,217	155,588

Age analysis of premium receivables

S/N	Age of Debt	2024		2023	
		No of Policies	Amount	No of Policies	Amount
1	Within 14 Days	52	595,893	84	52,607
2	Within 15- 30 Days	155	258,393	32	16,885
3	Within 31 - 90 Days	320	580,930	74	86,095
4	Within 91- 180 Days	-	-	-	-
5	Above 180 Days	-	-	-	-
	<b>Total</b>	<b>527</b>	<b>1,435,217</b>	<b>190</b>	<b>155,588</b>

All premium receivables are designated as Trade receivables and their carrying values approximate fair value at the reporting date. A total amount of ₦1435m (2023: ₦155m) was received after year end."

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

Due from coinsurers  
Allowance for expected credit loss (see note 19 (c)(i) below)

	2024	2023
	₦'000	₦'000
	2,608,546	6,214
	(327,525)	-
	2,281,021	6,214

Age Analysis of Recoverables from coinsurers on claims from Non-life businesses

Due within 0-90 days  
Due within 91-180 days  
Due above 180 days

	2024	2023
	1,565,128	3,728
	1,043,418	2,486
	-	-
	2,608,546	6,214

19 (c) Recoverables from coinsurers on claims from Life businesses

Due from coinsurers  
Allowance for expected credit loss (see note 19 (c)(i) below)

	2024	2023
	₦'000	₦'000
	902,481	622,603
	(131,968)	(73,134)
	770,513	549,469

Age Analysis of Recoverables from coinsurers on claims from Life businesses

Due within 0-90 days  
Due within 91-180 days  
Due above 180 days

	2024	2023
	82,430	71,440
	287,351	64,760
	532,700	486,403
	902,481	622,603

19 (c)(i) Movements on the Allowance for expected credit loss of recoverables from coinsurers on claims :

	Non Life		Life		Total	
	2024	2023	2024	2023	2024	2023
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January	-	-	73,134	73,134	73,134	73,134
Credit loss expense	327,525	-	58,834	-	386,359	-
At 31 December	327,525	-	131,968	73,134	459,493	73,134

19 (d) Recoverables from coinsurers on claims

Non-life businesses  
Life Business

	2,281,021	6,214
	770,513	549,469
	3,051,534	555,683

Movement in recoverable from coinsurers on claims

Opening Balance  
Addition during the year  
Recoveries from coinsurers  
Allowance for expected credit loss (note(19 (c)(i))  
Closing Balance

	555,683	171,615
	3,511,027	628,817
	(628,817)	(244,749)
	(386,359)	-
	3,051,534	555,683

20 Reinsurance contract assets

Reinsurance contract held

Total Closing Asset  
Total Closing Liability  
Net Closing Balance

	2024	2023
	11,114,527	4,837,380
	-	-
	11,114,527	4,837,380

Assets for Incurred Claims (AIC)

Est. of present value of future cashflows  
Risk adj. for non financial risk

2024			
Non-life(PAA)	Grouplife&Health(PAA)	Ind.Life (GMM)	Total
7,046,395	1,042,270	-	8,088,665
925,136	62,537	-	987,673
7,971,531	1,104,807	-	9,076,338

Assets for Remaining Coverage (ARC)

Excluding loss recovery component  
Loss recovery component

1,455,366	590,843	150,727	2,196,937
-	128,566	-	128,566
1,455,366	719,409	150,727	2,325,503
9,426,897	1,824,217	150,727	11,401,841
(287,314)	-	-	(287,314)
9,139,583	1,824,217	150,727	11,114,527

As per Actuarial Valuation

Payable to reinsurer

2023			
Non-life(PAA)	Grouplife&Health(PAA)	Ind.Life (GMM)	Total
2,281,646	948,458	2,700	3,232,804
255,941	23,274	-	279,215
2,537,587	971,732	2,700	3,512,019
732,413	556,217	36,732	592,949
732,413	556,217	36,732	1,325,361
3,270,000	1,527,949	39,432	4,837,380

Assets for Incurred Claims (AIC)

Est. of present value of future cashflows  
Risk adj. for non financial risk

Assets for Remaining Coverage (ARC)

Excluding loss recovery component

**Disclosures on reinsurance contract held**

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

**20.1(a) Reinsurance Contracts GMM&PAA**

	2024					2023				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk		Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	
Reinsurance contract assets as at 1 January	1,325,360	-	3,232,805	279,215	4,837,380	1,414,729	-	2,754,742	222,078	4,391,549
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
<b>Net Opening Balance</b>	<b>1,325,360</b>	<b>-</b>	<b>3,232,805</b>	<b>279,215</b>	<b>4,837,380</b>	<b>1,414,729</b>	<b>-</b>	<b>2,754,742</b>	<b>222,078</b>	<b>4,391,549</b>
<b>Changes in the statement of profit or loss</b>										
Allocation of reinsurance premiums	(10,534,886)	-	-	-	(10,534,886)	(8,275,656)	-	-	-	(8,275,656)
<b>Amounts recovered from reinsurers</b>										
Recoveries on incurred claims and expenses	-	-	14,888,946	708,458	15,597,404	-	-	3,848,730	57,137	3,905,868
Changes in the loss recovery component	-	128,566	-	-	128,566	-	-	-	-	-
Acquisition income earned	1,624,169	-	-	-	1,624,169	1,057,913	-	-	-	1,057,913
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
<b>Net expenses from reinsurance contracts held</b>	<b>(8,910,717)</b>	<b>128,566</b>	<b>14,888,946</b>	<b>708,458</b>	<b>6,815,253</b>	<b>(7,217,744)</b>	<b>-</b>	<b>3,848,730</b>	<b>57,137</b>	<b>(3,311,876)</b>
Finance income from reinsurance contracts recognised in profit or loss	-	-	(2,908,743)	-	(2,908,743)	-	-	162,978	-	162,978
<b>Total changes in the statement of profit or loss</b>	<b>(8,910,717)</b>	<b>128,566</b>	<b>11,980,203</b>	<b>708,458</b>	<b>3,906,510</b>	<b>(7,217,744)</b>	<b>-</b>	<b>4,011,708</b>	<b>57,137</b>	<b>(3,148,898)</b>
<i>Cash flows</i>										
Premiums paid	11,986,740	-	-	-	11,986,740	7,319,119	-	-	-	7,319,119
Acquisition income received	(2,491,760)	-	-	-	(2,491,760)	(1,057,913)	-	-	-	(1,057,913)
Amounts received from reinsurers relating to incurred claims	-	-	(3,654,337)	-	(3,654,337)	-	-	(736,385)	-	(736,385)
<b>Total cash flows</b>	<b>9,494,980</b>	<b>-</b>	<b>(3,654,337)</b>	<b>-</b>	<b>5,840,643</b>	<b>6,261,206</b>	<b>-</b>	<b>(736,385)</b>	<b>-</b>	<b>5,524,821</b>
<b>Non-cash flow items</b>										
Reinsurance Premiums Payable	287,314	-	-	-	287,314	867,169	-	-	-	867,169
Recoverable on Paid Claims	-	-	(3,470,006)	-	(3,470,006)	-	-	(2,797,260)	-	(2,797,260)
<b>Total Non-Cash flow</b>	<b>287,314</b>	<b>-</b>	<b>(3,470,006)</b>	<b>-</b>	<b>(3,182,692)</b>	<b>867,169</b>	<b>-</b>	<b>(2,797,260)</b>	<b>-</b>	<b>(1,930,091)</b>
<b>Net Closing Assets</b>	<b>2,196,937</b>	<b>128,566</b>	<b>8,088,665</b>	<b>987,673</b>	<b>11,401,841</b>	<b>1,325,360</b>	<b>-</b>	<b>3,232,805</b>	<b>279,215</b>	<b>4,837,380</b>
Reinsurance contract assets as at 31 December	2,196,937	128,566	8,088,665	987,673	11,401,841	1,325,360	-	3,232,805	279,215	4,837,380
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
<b>Net Closing Balance</b>	<b>2,196,937</b>	<b>128,566</b>	<b>8,088,665</b>	<b>987,673</b>	<b>11,401,841</b>	<b>1,325,360</b>	<b>-</b>	<b>3,232,805</b>	<b>279,215</b>	<b>4,837,380</b>

Reinsurance Contracts Measured Under PAA (Non-Life only)

	2024					2023				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk		Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	
Reinsurance contract assets as at 1 January	732,413	-	2,281,646	255,941	3,270,000	764,538	-	2,082,725	204,224	3,051,487
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
<b>Net Opening Balance</b>	<b>732,413</b>	<b>-</b>	<b>2,281,646</b>	<b>255,941</b>	<b>3,270,000</b>	<b>764,538</b>	<b>-</b>	<b>2,082,725</b>	<b>204,224</b>	<b>3,051,487</b>
<b>Changes in the statement of profit or loss</b>										
Allocation of reinsurance premiums	(8,649,432)	-	-	-	(8,649,432)	(5,418,491)	-	-	-	(5,418,491)
<b>Amounts recovered from reinsurers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recoveries on incurred claims and expenses	-	-	9,127,722	669,195	9,796,917	-	-	1,734,769	51,717	1,786,486
Changes in the loss recovery component	-	-	-	-	-	-	-	-	-	-
Acquisition income earned	1,418,959	-	-	-	1,418,959	896,541	-	-	-	896,541
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
<b>Net expenses from reinsurance contracts held</b>	<b>(7,230,473)</b>	<b>-</b>	<b>9,127,722</b>	<b>669,195</b>	<b>2,566,444</b>	<b>(4,521,950)</b>	<b>-</b>	<b>1,734,769</b>	<b>51,717</b>	<b>(2,735,464)</b>
Finance income (expense) from reinsurance contracts recognised in profit or loss	-	-	(2,895,368)	-	(2,895,368)	-	-	149,742	-	149,742
<b>Total changes in the statement of profit or loss</b>	<b>(7,230,473)</b>	<b>-</b>	<b>6,232,354</b>	<b>669,195</b>	<b>(328,924)</b>	<b>(4,521,950)</b>	<b>-</b>	<b>1,884,511</b>	<b>51,717</b>	<b>(2,585,722)</b>
<b>Cash flows</b>										
Premiums paid	9,550,637	-	-	-	9,550,637	5,005,184	-	-	-	5,005,184
Acquisition income received	(1,884,525)	-	-	-	(1,884,525)	(941,515)	-	-	-	(941,515)
Amounts received from reinsurers relating to incurred claims	-	-	(287,308)	-	(287,308)	-	-	784,664	-	784,664
<b>Total cash flows</b>	<b>7,666,112</b>	<b>-</b>	<b>(287,308)</b>	<b>-</b>	<b>7,378,804</b>	<b>4,063,669</b>	<b>-</b>	<b>784,664</b>	<b>-</b>	<b>4,848,333</b>
<b>Non-cash flow items</b>										
Reinsurance Premiums Payable	287,314	-	-	-	287,314	426,156	-	-	-	426,156
Recoverable on Paid Claims	-	-	(1,180,297)	-	(1,180,297)	-	-	(2,470,254)	-	(2,470,254)
<b>Total Non-Cash flow</b>	<b>287,314</b>	<b>-</b>	<b>(1,180,297)</b>	<b>-</b>	<b>(892,983)</b>	<b>426,156</b>	<b>-</b>	<b>(2,470,254)</b>	<b>-</b>	<b>(2,044,098)</b>
<b>Net Closing Assets</b>	<b>1,455,366</b>	<b>-</b>	<b>7,046,395</b>	<b>925,136</b>	<b>9,426,897</b>	<b>732,413</b>	<b>-</b>	<b>2,281,646</b>	<b>255,941</b>	<b>3,270,000</b>
Reinsurance contract assets as at 31 December	1,455,366	-	7,046,395	925,136	9,426,897	732,413	-	2,281,646	255,941	3,270,000
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
<b>Net Closing Balance</b>	<b>1,455,366</b>	<b>-</b>	<b>7,046,395</b>	<b>925,136</b>	<b>9,426,897</b>	<b>732,413</b>	<b>-</b>	<b>2,281,646</b>	<b>255,941</b>	<b>3,270,000</b>

Reinsurance Contracts Measured Under PAA (Group Life and Health)

	2024					2023				
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		Total
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk		Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	
Reinsurance contract assets as at 1 January	556,217	-	948,458	23,274	1,527,949	614,471	-	669,316	17,854	1,301,641
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
<b>Net Opening Balance</b>	<b>556,217</b>	<b>-</b>	<b>948,458</b>	<b>23,274</b>	<b>1,527,949</b>	<b>614,471</b>	<b>-</b>	<b>669,316</b>	<b>17,854</b>	<b>1,301,641</b>
<b>Changes in the statement of profit or loss</b>										
Allocation of reinsurance premiums	(1,835,007)	-	-	-	(1,835,007)	(2,832,537)	-	-	-	(2,832,537)
<b>Amounts recovered from reinsurers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recoveries on incurred claims and expenses	-	-	5,761,224	39,263	5,800,487	-	-	2,113,961	5,420	2,119,381
Changes in the loss recovery component	-	128,566	-	-	128,566	-	-	-	-	-
Acquisition income earned	195,568	-	-	-	195,568	159,151	-	-	-	159,151
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
<b>Net expenses from reinsurance contracts held</b>	<b>(1,639,439)</b>	<b>128,566</b>	<b>5,761,224</b>	<b>39,263</b>	<b>4,289,614</b>	<b>(2,673,386)</b>	<b>-</b>	<b>2,113,961</b>	<b>5,420</b>	<b>(554,005)</b>
Finance income/(expense) from reinsurance contracts recognised in profit or loss	-	-	(6,983)	-	(6,983)	-	-	7,298	-	7,298
<b>Total changes in the statement of profit or loss</b>	<b>(1,639,439)</b>	<b>128,566</b>	<b>5,754,241</b>	<b>39,263</b>	<b>4,282,631</b>	<b>(2,673,386)</b>	<b>-</b>	<b>2,121,259</b>	<b>5,420</b>	<b>(546,707)</b>
<b>Cash flows</b>										
Premiums paid	2,281,303	-	-	-	2,281,303	2,290,517	-	-	-	2,290,517
Acquisition income received	(607,237)	-	-	-	(607,237)	(116,398)	-	-	-	(116,398)
Amounts received from reinsurers relating to incurred claims	-	-	(3,370,721)	-	(3,370,721)	-	-	(1,515,111)	-	(1,515,111)
<b>Total cash flows</b>	<b>1,674,066</b>	<b>-</b>	<b>(3,370,721)</b>	<b>-</b>	<b>(1,696,655)</b>	<b>2,174,119</b>	<b>-</b>	<b>(1,515,111)</b>	<b>-</b>	<b>659,008</b>
<b>Non-cash flow items</b>										
Reinsurance Premiums Payable	-	-	-	-	-	441,013	-	-	-	441,013
Recoverable on Paid Claims	-	-	(2,289,709)	-	(2,289,709)	-	-	(327,006)	-	(327,006)
<b>Total Non-Cash flow</b>	<b>-</b>	<b>-</b>	<b>(2,289,709)</b>	<b>-</b>	<b>(2,289,709)</b>	<b>441,013</b>	<b>-</b>	<b>(327,006)</b>	<b>-</b>	<b>114,007</b>
<b>Net Closing Assets</b>	<b>590,843</b>	<b>128,566</b>	<b>1,042,269</b>	<b>62,537</b>	<b>1,824,216</b>	<b>556,217</b>	<b>-</b>	<b>948,458</b>	<b>23,274</b>	<b>1,527,949</b>
Reinsurance contract assets as at 31 December	590,843	128,566	1,042,269	62,537	1,824,216	556,217	-	948,458	23,274	1,527,949
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
<b>Net Closing Balance</b>	<b>590,843</b>	<b>128,566</b>	<b>1,042,269</b>	<b>62,537</b>	<b>1,824,216</b>	<b>556,217</b>	<b>-</b>	<b>948,458</b>	<b>23,274</b>	<b>1,527,949</b>

Notes to the financial statements  
For the year ended 31 December 2024

20.1(b) Reinsurance Contracts Measured Under GMM (Ind.Life)

	2024				Total	2023				Total
	Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance			Assets for Remaining coverage component		Assets for incurred claims recoverable from reinsurance		
	Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk		Excluding loss recovery component	Loss recovery component	Est. of present value of future cashflows	Risk adj. for non financial risk	
Reinsurance contract assets as at 1 January	36,732	-	2,700	-	39,432	35,720	-	2,700	-	38,420
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
<b>Net Opening Balance</b>	<b>36,732</b>	<b>-</b>	<b>2,700</b>	<b>-</b>	<b>39,432</b>	<b>35,720</b>	<b>-</b>	<b>2,700</b>	<b>-</b>	<b>38,420</b>
<b>Changes in the statement of profit or loss</b>										
Allocation of reinsurance premiums	(50,447)	-	-	-	(50,447)	(24,628)	-	-	-	(24,628)
<b>Amounts recovered from reinsurers</b>										
Recoveries on incurred claims and expenses	-	-	-	-	-	-	-	-	-	-
Changes in the loss recovery component	-	-	-	-	-	-	-	-	-	-
Acquisition income earned	9,642	-	-	-	9,642	2,222	-	-	-	2,222
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-	-	-
<b>Net expenses from reinsurance contracts held</b>	<b>(40,805)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,805)</b>	<b>(22,406)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,406)</b>
Finance income (expense) from reinsurance contracts recognised in	-	-	(6,392)	-	(6,392)	-	-	5,938	-	5,938
<b>Total changes in the statement of profit or loss</b>	<b>(40,805)</b>	<b>-</b>	<b>(6,392)</b>	<b>-</b>	<b>(47,197)</b>	<b>(22,406)</b>	<b>-</b>	<b>5,938</b>	<b>-</b>	<b>(16,468)</b>
<i>Cash flows</i>										
Premiums paid	154,800	-	-	-	154,800	23,418	-	-	-	23,418
Acquisition income received	-	-	-	-	-	-	-	-	-	-
Amounts received from reinsurers relating to incurred claims	-	-	3,692	-	3,692	-	-	(5,938)	-	(5,938)
<b>Total cash flows</b>	<b>154,800</b>	<b>-</b>	<b>3,692</b>	<b>-</b>	<b>158,492</b>	<b>23,418</b>	<b>-</b>	<b>(5,938)</b>	<b>-</b>	<b>17,480</b>
<b>Non-cash flow items</b>										
Reinsurance Premiums Payable	-	-	-	-	-	-	-	-	-	-
Recoverable on Paid Claims	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Closing Assets</b>	<b>150,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,727</b>	<b>36,732</b>	<b>-</b>	<b>2,700</b>	<b>-</b>	<b>39,432</b>
Reinsurance contract assets as at 31 December	150,727	-	-	-	150,727	36,732	-	2,700	-	39,432
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-	-
<b>Net Closing Balance</b>	<b>150,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,727</b>	<b>36,732</b>	<b>-</b>	<b>2,700</b>	<b>-</b>	<b>39,432</b>

Reinsurance Contract Assets Analysed by Components: GMM

	31-Dec-24				31-Dec-23			
	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total
'000								
Insurance contract assets as at 1 January	12,818	363	26,251	39,432	35,731	384	2,305	38,420
Insurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-
<b>Net Opening Balance Analysed by Components - GMM</b>	<b>12,818</b>	<b>363</b>	<b>26,251</b>	<b>39,432</b>	<b>35,731</b>	<b>384</b>	<b>2,305</b>	<b>38,420</b>
<b>Changes in the statement of profit or loss</b>								
<i>Changes that relate to current service</i>								
CSM recognised for services provided	-	-	(71,924)	(71,924)	-	-	(26,410)	(26,410)
Change in risk adjustment for non-financial risk for risk expired	-	836	-	836	-	(21)	-	(21)
Experience adjustments	30,283	-	-	30,283	4,025	-	-	4,025
<b>Total Changes that relate to current service</b>	<b>30,283</b>	<b>836</b>	<b>(71,924)</b>	<b>(40,805)</b>	<b>4,025</b>	<b>(21)</b>	<b>(26,410)</b>	<b>(22,406)</b>
<i>Changes that relate to future service</i>								
Contracts initially recognised in the year	(65,559)	-	65,559	-	(50,000)	-	50,000	-
Changes in estimates that adjust the CSM	-	-	-	-	-	-	-	-
<i>Changes that relate to past service</i>								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
<b>Insurance service result</b>	<b>(35,276)</b>	<b>836</b>	<b>(6,365)</b>	<b>(40,805)</b>	<b>(45,975)</b>	<b>(21)</b>	<b>23,590</b>	<b>(22,406)</b>
Finance expenses from insurance contracts in profit or loss	(1,905)	-	(4,487)	(6,392)	5,582	-	356	5,938
<b>Total Changes in the statement of profit or loss</b>	<b>(37,181)</b>	<b>836</b>	<b>(10,852)</b>	<b>(47,197)</b>	<b>(40,393)</b>	<b>(21)</b>	<b>23,946</b>	<b>(16,468)</b>
<b>Cash flows</b>								
Premiums received (including investment components)	53,849	-	100,951	154,800	23,418	-	-	23,418
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Claims and other insurance service expenses paid (including investment components)	-	-	3,692	3,692	(5,938)	-	-	(5,938)
<b>Total cash flows</b>	<b>53,849</b>	<b>-</b>	<b>104,643</b>	<b>158,492</b>	<b>17,480</b>	<b>-</b>	<b>-</b>	<b>17,480</b>
<b>Net Closing Liabilities Analysed by Component-GMM</b>	<b>29,486</b>	<b>1,199</b>	<b>120,042</b>	<b>150,727</b>	<b>12,818</b>	<b>363</b>	<b>26,251</b>	<b>39,432</b>
Insurance contract assets as at 31 December	29,486	1,199	120,042	150,727	12,818	363	26,251	39,432
Insurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-
<b>Net Closing balance Analysed by Component-GMM</b>	<b>29,486</b>	<b>1,199</b>	<b>120,042</b>	<b>150,727</b>	<b>12,818</b>	<b>363</b>	<b>26,251</b>	<b>39,432</b>

**Notes to the financial statements**  
For the year ended 31 December 2024

**21 Prepayments, other receivables and assets**

	2024	2023
	N'000	N'000
Prepaid expenses (see note 21(a) below)	238,900	254,758
Other receivables (see note 21(b)below)	82,407	72,231
Total receivable and prepayments	<u>321,307</u>	<u>326,989</u>

**21 (a) Breakdown of prepaid expenses:**

	2024	2023
	N'000	N'000
Prepaid staff receivables (21(a)(i))	20,031	73,732
Prepaid minimum and deposit reinsurance (21(a)(ii))*	123,227	118,692
Computer maintenance	5	5
Rent and rates	30,959	37,640
Insurance and subscriptions	64,678	24,689
	<u>238,900</u>	<u>254,758</u>

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

	2024	2023
	N'000	N'000
Cash advance	20,031	3,209
Staff prepaid medical advances	-	160
Other staff allowances	-	-
Prepaid staff loan benefit*	-	70,363
	<u>20,031</u>	<u>73,732</u>

\*Staff are entitled to loans which are repayable through monthly payroll deductions (see note 18(a)). The loans are given at a rate that is below the general market interest rate. The difference between the market interest rate and the rate at which these loans are advanced to staff are recognised as staff prepaid benefit. This is amortised over the tenor of the loan.

Movement in prepaid staff loan benefit during the period may be represented as follows;

	2024	2023
	N'000	N'000
Opening balance	70,363	70,363
Amortization of prepaid staff benefit (Note 15(a))	(70,363)	-
	<u>-</u>	<u>70,363</u>

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

	2024	2023
	N'000	N'000
<b>At beginning of year</b>	118,692	-
Additions during the year	1,399,077	363,241
Amortization during the year	(1,394,542)	(244,549)
<b>At 31 December</b>	<u>123,227</u>	<u>118,692</u>

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

**21(b) Breakdown of other receivables**

	2024	2023
	N'000	N'000
Withholding tax receivable	90,220	70,824
Dividend receivable on equities investments	3,732	3,732
Receivable from Resort Savings & Loans Limited (Note 21(b)(i))	84,315	84,315
Loan to exited staff (note 21(b)(ii))	58,998	70,869
Others*	236,822	36,871
	<u>474,087</u>	<u>266,611</u>
Allowance for impairment (note 21(c))	(391,680)	(194,380)
	<u>82,407</u>	<u>72,231</u>

\* This relates to other miscellaneous receivables due from various suppliers and or third parties in ordinary course of doing business

**21(b)(i)** Amount represents placements with Resort Savings Limited, which also became long-term and therefore no longer meet the criteria to be classified as cash and cash equivalent. Due to the inability of the institution to repay the principal and interest accrued at the expiration of the contractual tenor, this amount has been subject to ECL allowance provisions of IFRS 9

**21(b)(ii)** Loans to exited staff represent the outstanding balance of the loans advanced to Company personnel who resigned as employee of the Company before and during the year. The exited staff involved did not have exit packages that could net off these loans at the time of their exit, hence the Company obtained payment plans from staff at their exit, which they have not been able to fulfil in the current year and in line with Company's policy to assess impairment on unpaid balances, outstanding amounts have been impaired accordingly.

**21(c)** Movement on the allowance for expected credit loss of Other receivables are as follows:

	2024	2023
	N'000	N'000
<b>At 1 January</b>	194,380	197,432
Credit loss charge/(reversal) during the year	197,300	(3,052)
<b>At 31 December</b>	<u>391,680</u>	<u>194,380</u>

The Gross amount of financial assets included in other receivables is N183 Million (2023: N195 Million) while related impairment is N173 Million (2023: N175 Million) as shown below; This excludes statutory deductions such as withholding tax receivables.

**Notes to the financial statements**  
For the year ended 31 December 2024

**31 December 2024**

	ECL Impairment				Net Amount
	Gross amount	Opening balance	Charged/ (Reversal)	Closing balance	
Withholding tax receivable	90,220	18,596	-	18,596	71,624
	90,220	18,596	-	18,596	71,624
<b>Other financial assets</b>					
Dividend receivable on equities investments	3,732	3,732	-	3,732	-
Receivable from Resort Savings & Loans Limited (Note 21(b)(i))	84,315	84,315	-	84,315	-
Loan to exited staff (note 21(b)(ii))	58,998	65,604	(6,606)	58,998	-
Others*	236,822	22,133	203,906	226,039	10,783
	383,867	175,784	197,300	373,084	10,783
	474,087	194,380	197,300	391,680	82,407

**31 December 2023**

	ECL Impairment				Net Amount
	Gross amount	Opening balance	Charged/ (Reversal)	Closing balance	
Withholding tax receivable	70,824	18,596	-	18,596	52,228
<b>Other financial assets</b>	70,824	18,596	-	18,596	52,228
Dividend receivable on equities investments	3,732	3,732	-	3,732	-
Receivable from Resort Savings & Loans Limited (Note 21(b)(i))	84,315	84,315	-	84,315	-
Loan to exited staff (note 21(b)(ii))	70,869	65,604	-	65,604	5,265
Others*	36,872	25,185	(3,052)	22,133	14,739
	195,788	178,836	(3,052)	175,784	20,004
	266,612	197,432	(3,052)	194,380	72,232

\* This relates to other miscellaneous receivables due from various suppliers and or third parties in ordinary course of doing business

**22 Investment property**

**(a) Reconciliation of carrying amount**

	2024	2023
	₦'000	₦'000
<b>At 1 January</b>	248,202	247,030
Additions	-	12,760
Fair value gain/(loss)	18,198	(11,588)
<b>At 31 December</b>	266,400	248,202

The balance in this account is analyzed below:

	2024	2023
	₦'000	₦'000
Cost	191,115	191,115
Revaluation gains	75,285	57,087
<b>At 31 December</b>	266,400	248,202

*In thousands of Naira*

Location	Nature of title held	At 1 January 2024	Addition	Disposal	Revaluation gain	2024
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	248,202	-	-	18,198	266,400
<b>Total</b>		248,202	-	-	18,198	266,400

\*This represents the property taken over in the asset debt swap between ASO Savings and Loans Plc and NSIA Insurance Limited, representing a full and final settlement of all outstanding receivable from ASO Saving. The amount receivable from ASO Savings (Note 21(b)) was written off and the equivalent amount recognised as the purchase value of the aforementioned complex. The value of the complex was subsequently revalued and a revaluation gain of N75m was recognised till date. During 2018 financial year, the Company received property of 76 shops at Lugbe market in exchange for a sum of N180,814,000 being owed to it by ASO Savings and Loans Plc. The fair value of the property at the date of transfer was N186,300,000. As at end of 2024 financial year, total of 3(three) shop with a carrying amount of N9,333,000 have been disposed and the the fair value for the remaining 73 shops as at 2024 year end is N266,400,000.

The valuer used by the Company is A.C. Otegbulu & Partners (FRC/2020/00000013597 (Engagement partner: A.C.Otegbulu (FRC/2013/NIESV/00000001582)).

*In thousands of Naira*

Location	Nature of title held	At 1 January 2023	Addition	Disposal	Revaluation loss	At 31 December 2023
Shopping complex, Lugbe, Abuja*	Debt Asset Swap Agreement	247,030	12,760.00	-	(11,588)	248,202
<b>Total</b>		247,030	12,760.00	-	(11,588)	248,202

The Company has executed deed of assignment on all the investment properties. The Company has applied to register the deed of assignment with the Lagos State Lands Registry and the Federal Capital Territory Land registry respectively

**Notes to the financial statements**  
For the year ended 31 December 2024

**(b) Measurement of fair value**

**(i) Fair value hierarchy**

The fair value of investment property has been determined by a reputable estate surveyors and valuers using the sales comparative method of valuation to arrive at the open market value. There is no rental income from investment property during the year and no restrictions on the realisability of the property. The property is held for capital appreciation. The fair value measurement for investment property of N248 million has been categorized as a Level 3 fair value, based on the inputs into the valuation technique used.

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

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The method of valuation adopted is the Sales Comparison Approach. Under this approach, fair value market price is determined from available evidence of sale price of comparable sites appropriately adjusted to reflect the differences in the subject property.	- Prices per plot - Rate of development in the area - Influx of people and/or businesses to the area - Cost run for improvement	The estimated fair value would increase /decrease if the rate of development in the area increases/decreases and if the influx of people and/or business to the area increases /decreases

Reconciliation of level 3 fair value

	2024	2023
	₺'000	₺'000
Cumulative revaluation gains as at 1 January	57,087	68,675
Revaluation gain/ (loss) during the year	18,198	(11,588)
Cumulative revaluation gains as at 31 December 2024	75,285	57,087
<b>(iii) Sensitivity analysis</b>		
Balance as at 31 December	2024	2023
	₺'000	₺'000
Cumulative revaluation gains	75,285	57,087
+10% movement in open market price	7,529	5,709
- 10% movement in open market price	(7,529)	(5,709)

**23 Deferred tax liabilities**

	2024	2023
	₺'000	₺'000
<b>At 1 January</b>	632,608	601,764
Charge to profit or loss account for the year	1,820	(1,159)
Items in other comprehensive income	77,598	32,003
<b>At 31 December</b>	712,026	632,608

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2023: 10%) on investment properties and on the revaluation surplus of land & building and 30% (2023: 32%) on other items.

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

2024	Net balance at 1	Recognized in	Recognized in	Net balance at 31
	January	profit or loss	OCI	December
	₺'000	₺'000	₺'000	₺'000
Property and equipment	554,822	-	58,812	613,634
Equity instruments designated at fair value through other comprehensive income	22,093	-	18,786	40,879
Investment property	55,693	1,820	-	57,513
<b>Total</b>	<b>632,608</b>	<b>1,820</b>	<b>77,598</b>	<b>712,026</b>
2023	Net balance at 1	Recognised in	Recognized in	Net balance at 31
	January	profit or loss	OCI	December
	₺'000	₺'000	₺'000	₺'000
Property and equipment	539,316	-	15,506	554,822
Equity instruments designated at fair value through other comprehensive income	5,596	-	16,497	22,093
Investment property	56,852	(1,159)	-	55,693
<b>Total</b>	<b>601,764</b>	<b>(1,159)</b>	<b>32,003</b>	<b>632,608</b>

**24 Intangible assets**

**As at 2024**

	Computer Software	
	2024	2023
	₺'000	₺'000
<b>Cost</b>		
At 1 January	229,256	229,256
Additions	-	-
At 31 December	229,256	229,256
<b>Accumulated amortization</b>		
At 1 January-	229,246	224,846
Amortization charge for the year	-	4,400
At 31 December	229,246	229,246
<b>Carrying amount</b>		
At end of year	10	10

See item "i" in statement of accounting policies as the concerned asset has been fully amortized

Notes to the financial statements  
For the year ended 31 December 2024

25 Property and equipment

At 31 December 2024

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Revalued amount									
At 1 January 2024	1,208,004	2,208,339	99,209	357,970	263,290	333,084	1,380,382	-	5,850,278
Additions	-	8,749	6,504	56,834	42,694	5,033	478,514	93,302	691,630
Disposals	-	-	-	(3,455)	-	-	-	-	(3,455)
Revaluation surplus	451,773	136,347	-	-	-	-	-	-	588,120
At 31 December 2024	1,659,777	2,353,435	105,713	411,349	305,984	338,117	1,858,896	93,302	7,126,573

Accumulated depreciation

At 1 January 2024	-	296,532	59,816	282,714	202,019	309,162	861,395	-	2,011,638
Charge for the year	-	50,283	6,581	26,205	19,877	7,569	212,038	-	322,553
Disposals	-	-	-	(3,455)	-	-	-	-	(3,455)
At 31 December 2024	-	346,815	66,397	305,464	221,896	316,731	1,073,433	-	2,330,736
Net book value									
Carrying Amount - At 31 December 2024	1,659,777	2,006,620	39,316	105,885	84,088	21,386	785,463	93,302	4,795,838

At December 2023

	Land	Buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Revalued amount									
At 1 January 2023	1,194,802	2,065,140	77,611	292,915	223,804	311,568	1,094,389	-	5,260,229
Additions	-	1,344	21,598	70,310	39,486	21,516	296,793	-	451,047
Disposals	-	-	-	(5,255)	-	-	(10,800)	-	(16,055)
Revaluation surplus	13,202	141,855	-	-	-	-	-	-	155,057
At 31 December 2023	1,208,004	2,208,339	99,209	357,970	263,290	333,084	1,380,382	-	5,850,278

Accumulated depreciation

At 1 January 2023	-	252,751	55,714	267,915	184,608	302,925	713,142	-	1,777,055
Charge for the year	-	43,781	4,102	17,689	17,411	6,237	157,028	-	246,248
Disposals	-	-	-	(2,890)	-	-	(8,775)	-	(11,665)
At 31 December 2023	-	296,532	59,816	282,714	202,019	309,162	861,395	-	2,011,638
Net book value									
Carrying Amount - At 31 December 2023	1,208,004	1,911,807	39,394	75,256	61,271	23,922	518,987	-	3,838,641

- (i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
- (ii) Items of land and building are carried at revalued amount. A valuation was conducted by an external independent valuer, A.C. Otegbulu-FRC/2013/NIESV/0000001582 of A.C. Otegbulu & Partners(FRC/2020/00000013597). They have relevant recognized professional qualifications and experience in the property being valued. The land and building, were valued using the open market value basis as at 31 December 2024. The valuation method is on comparable and investment method. The revaluation gain of ₦588 million (2023:₦155million) arising from the valuation of the Company's land & building has been recognized in other comprehensive income.
- (iii) There were no liens or encumbrances on the assets.

**Notes to the financial statements**

For the year ended 31 December 2024

**25. Property and equipment - continued**

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

25 (a)

	2024		2023	
	Land N'000	Building N'000	Land N'000	Building N'000
Cost	424,349	693,590	424,349	684,841
Accumulated depreciation	-	(346,815)	-	(296,532)
Carrying amount	<u>424,349</u>	<u>346,775</u>	<u>424,349</u>	<u>388,309</u>

Breakdown of land and buildings:

25 (b)

No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos  
Total

	2024		
	Land	Building	Total
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,659,777	2,006,620	3,666,397
Total	<u>1,659,777</u>	<u>2,006,620</u>	<u>3,666,397</u>

No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos  
Total

	2023		
	Land	Building	Total
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	1,208,004	1,911,807	3,119,811
Total	<u>1,208,004</u>	<u>1,911,807</u>	<u>3,119,811</u>

Reconciliation of movement in land and buildings:

25 (c)

	Status of Title	1 January 2024	Addition	Depreciation	Disposal	Reclassificati on	Revaluation Gain	31 December 2024
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	Deed of Assignment	3,119,811	8,749	(50,283)	-	-	588,120	3,666,397
<b>Total</b>		<b>3,119,811</b>	<b>8,749</b>	<b>(50,283)</b>	<b>-</b>	<b>-</b>	<b>588,120</b>	<b>3,666,397</b>

	Status of Title	1 January 2023	Addition	Depreciation	Disposal	Reclassificati on	Revaluation Gain	31 December 2023
No. 3 Elsie Femi-Pearse Street, Victoria Island, Lagos	Deed of Assignment	3,007,190	1,344	(43,780)	-	-	155,057	3,119,811
<b>Total</b>		<b>3,007,190</b>	<b>1,344</b>	<b>(43,780)</b>	<b>-</b>	<b>-</b>	<b>155,057</b>	<b>3,119,811</b>

**Notes to the financial statements**

For the year ended 31 December 2024

**26 Statutory deposits**

This represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act of Nigeria's requirement for the composite insurance companies. The deposit is not available for the day to day operations of the Company and has been disclosed separately. Interest is earned on this deposit.

	2024	2023
	N'000	N'000
Opening	900,400	900,400
Due after 12 months	900,400	900,400

**27 Investment contract liabilities**

	2024	2023
	N'000	N'000
At 1 January	101,182	155,113
Deposits received	436,199	126,042
Guaranteed interest (see note 7)	8,825	7,226
	546,206	288,381
Less: withdrawals	(210,865)	(187,199)
At 31 December	335,341	101,182
	2024	2023
Due within 12 months	258,213	77,910
Due after 12 months	77,128	23,272
	335,341	101,182

The Company has a total sum of N335.3million (2023- N101.1million) in deposit administered funds.

**27 (a) Asset representing investment contract liabilities fund:**

**Breakdown:**

Financial assets @ amortized cost	335,341	101,182
	335,341	101,182

**28 Insurance Contract Liabilities**

	2024				
	PAA (Non-life)	PAA(Grouplife& Health)	PAA (Total)	GMM(Ind.Life)	Total
<b>Liability for Incurred claims (LIC)</b>					
Est. of present value of future cashflows	12,804,595	3,265,757	16,070,352	4,234	16,074,586
Risk adj. for non financial risk	1,681,136	195,946	1,877,082	-	1,877,082
	<u>14,485,731</u>	<u>3,461,703</u>	<u>17,947,434</u>	<u>4,234</u>	<u>17,951,668</u>
<b>Liability for Remaining coverage (LRC)</b>					
Excluding loss recovery component	4,955,758	2,493,328	7,449,086	1,268,727	8,717,813
Loss recovery component	348	228,329	228,677	51,256	279,933
	<u>4,956,106</u>	<u>2,721,657</u>	<u>7,677,763</u>	<u>1,319,983</u>	<u>8,997,746</u>
	<u>19,441,837</u>	<u>6,183,360</u>	<u>25,625,197</u>	<u>1,324,217</u>	<u>26,949,414</u>
	2023				
	PAA (Non-life)	PAA(Grouplife& Health)	PAA (Total)	GMM(Ind.Life)	Total
<b>Liability for Incurred claims (LIC)</b>					
Est. of present value of future cashflows	3,809,489	1,727,431	5,536,920	12,208	5,549,128
Risk adj. for non financial risk	713,897	64,689	778,586	-	778,586
	<u>4,523,386</u>	<u>1,792,120</u>	<u>6,315,506</u>	<u>12,208</u>	<u>6,327,714</u>
<b>Liability for Remaining coverage (LRC)</b>					
Excluding loss recovery component	2,834,388	3,462,741	6,297,129	970,746	7,267,875
Loss recovery component	5,406	-	5,406	51,256	56,662
	<u>2,839,794</u>	<u>3,462,741</u>	<u>6,302,535</u>	<u>1,022,002</u>	<u>7,324,538</u>
	<u>7,363,180</u>	<u>5,254,861</u>	<u>12,618,041</u>	<u>1,034,210</u>	<u>13,652,251</u>
<b>PAA:Premium Allocation Approach</b>	<b>GMM:General Measurement Approach</b>				

Notes to the financial statements  
For the year ended 31 December 2024

28 Insurance Contract Liabilities - continued

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

Insurance contracts issued

Non-life	
Group & Health	
Individual Life	
<b>Total Insurance contracts issued</b>	

Dec-24			Dec-23		
Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance
-	19,441,837	19,441,837	-	7,363,180	7,363,180
-	6,183,360	6,183,360	-	5,254,861	5,254,861
-	1,324,217	1,324,217	-	1,034,210	1,034,210
-	<b>26,949,414</b>	<b>26,949,414</b>	-	<b>13,652,251</b>	<b>13,652,251</b>

Reinsurance contracts held

Nonlife	
Group & Health	
Individual Life	
<b>Total Reinsurance contracts held</b>	

Asset	Liabilities	Net Balance	Asset	Liabilities	Net Balance
9,426,897	-	9,426,897	3,270,000	-	3,270,000
1,824,217	-	1,824,217	1,527,949	-	1,527,949
150,727	-	150,727	39,432	-	39,432
<b>11,401,841</b>	-	<b>11,401,841</b>	<b>4,837,380</b>	-	<b>4,837,380</b>

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

Insurance Contracts measured under PAA & GMM

'000	31-Dec-24					31-Dec-23				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	7,267,875	56,662	5,549,128	778,586	13,652,251	4,854,182	10,780	4,450,401	544,126	9,859,489
<b>Net Opening Balance - PAA &amp; GMM</b>	<b>7,267,875</b>	<b>56,662</b>	<b>5,549,128</b>	<b>778,586</b>	<b>13,652,251</b>	<b>4,854,182</b>	<b>10,780</b>	<b>4,450,401</b>	<b>544,126</b>	<b>9,859,489</b>
<b>Changes in the statement of profit or loss</b>										
<i>Insurance revenue</i>										
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Other contracts	(28,109,415)	-	-	-	(28,109,415)	(19,824,893)	-	-	-	(19,824,893)
	<b>(28,109,415)</b>	-	-	-	<b>(28,109,415)</b>	<b>(19,824,893)</b>	-	-	-	<b>(19,824,893)</b>
<i>Insurance service expenses</i>										
Incurred claims	-	-	24,989,980	-	24,989,980	-	-	7,683,213	-	7,683,213
Other directly attributable service expenses	-	-	113,094	-	113,094	-	-	82,906	-	82,906
Adjustments to liabilities for incurred claims	-	-	3,239,191	1,098,496	4,337,687	-	-	540,741	234,460	775,201
Losses and reversals of losses on onerous contracts	-	223,271	-	-	223,271	-	(5,374)	-	-	(5,374)
Amortisation of insurance acquisition cash flows	5,619,488	-	-	-	5,619,488	5,038,085	51,256	-	-	5,089,340
	<b>5,619,488</b>	<b>223,271</b>	<b>28,342,265</b>	<b>1,098,496</b>	<b>35,283,520</b>	<b>5,038,085</b>	<b>45,882</b>	<b>8,306,860</b>	<b>234,460</b>	<b>13,625,286</b>
<b>Insurance service result</b>	<b>(22,489,927)</b>	<b>223,271</b>	<b>28,342,265</b>	<b>1,098,496</b>	<b>7,174,105</b>	<b>(14,786,809)</b>	<b>45,882</b>	<b>8,306,860</b>	<b>234,460</b>	<b>(6,199,607)</b>
Finance expenses from insurance contracts in profit or loss	-	-	(5,620,594)	-	(5,620,594)	-	-	589,967	-	589,967
<b>Total Changes in the statement of profit or loss</b>	<b>(22,489,927)</b>	<b>223,271</b>	<b>22,721,671</b>	<b>1,098,496</b>	<b>1,553,511</b>	<b>(14,786,809)</b>	<b>45,882</b>	<b>8,896,827</b>	<b>234,460</b>	<b>(5,609,640)</b>
Investment components excluded from insurance results										
<b>Cash flows</b>										
Premiums received (including investment components)	27,902,058	-	-	-	27,902,058	21,477,837	-	-	-	21,477,837
Insurance acquisition cash flows	(4,263,062)	-	-	-	(4,263,062)	(4,843,044)	-	-	-	(4,843,044)
Claims and other insurance service expenses paid (including investment components)	-	-	(12,196,213)	-	(12,196,213)	-	-	(7,798,100)	-	(7,798,100)
<b>Total cash flows</b>	<b>23,638,996</b>	-	<b>(12,196,213)</b>	-	<b>11,442,783</b>	<b>16,634,793</b>	-	<b>(7,798,100)</b>	-	<b>8,836,693</b>
<b>Non-Cash flow items</b>										
Deposit for premium	968,806	-	-	-	968,806	828,470	-	-	-	828,470
Premiums receivable	688,987	-	-	-	688,987	155,588	-	-	-	155,588
Insurance acquisition and other attributable cost	(1,356,923)	-	-	-	(1,356,923)	(418,349)	-	-	-	(418,349)
<b>Total Non-Cashflow</b>	<b>300,869</b>	-	-	-	<b>300,869</b>	<b>565,709</b>	-	-	-	<b>565,709</b>
<b>Net Closing Liabilities Balance - PAA &amp; GMM</b>	<b>8,717,813</b>	<b>279,933</b>	<b>16,074,586</b>	<b>1,877,082</b>	<b>26,949,414</b>	<b>7,267,875</b>	<b>56,662</b>	<b>5,549,128</b>	<b>778,586</b>	<b>13,652,251</b>
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	8,717,813	279,933	16,074,586	1,877,082	26,949,414	7,267,875	56,662	5,549,128	778,586	13,652,251
<b>Net Closing Balance PAA &amp; GMM</b>	<b>8,717,813</b>	<b>279,933</b>	<b>16,074,586</b>	<b>1,877,082</b>	<b>26,949,414</b>	<b>7,267,875</b>	<b>56,662</b>	<b>5,549,128</b>	<b>778,586</b>	<b>13,652,251</b>

Notes to the financial statements  
For the year ended 31 December 2024

28 Insurance Contract Liabilities - continued

Insurance Contracts measured under PAA(Non-life)

'000	31-Dec-24					31-Dec-23				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	2,834,388	5,406	3,809,489	713,897	7,363,180	2,560,012	10,780	3,000,311	486,364	6,057,467
<b>Net Opening Balance - PAA</b>	<b>2,834,388</b>	<b>5,406</b>	<b>3,809,489</b>	<b>713,897</b>	<b>7,363,180</b>	<b>2,560,012</b>	<b>10,780</b>	<b>3,000,311</b>	<b>486,364</b>	<b>6,057,467</b>
<b>Changes in the statement of profit or loss</b>										
<i>Insurance revenue</i>					-					
Contracts under the fair value approach					-					
Other contracts	(19,874,455)	-	-	-	(19,874,455)	(11,270,489)	-	-	-	(11,270,489)
	(19,874,455)	-	-	-	(19,874,455)	(11,270,489)	-	-	-	(11,270,489)
<i>Insurance service expenses</i>										
Incurred claims	-	-	18,412,329	-	18,412,329	-	-	3,809,843	-	3,809,843
Other directly attributable service expenses	-	-	104,533	-	104,533	-	-	82,889	-	82,889
Adjustments to liabilities for incurred claims	-	-	1,250,148	967,239	2,217,387	-	-	323,398	227,533	550,931
Losses and reversals of losses on onerous contracts	-	(5,058)	-	-	(5,058)	-	(5,374)	-	-	(5,374)
Amortisation of insurance acquisition cash flows	4,028,937	-	-	-	4,028,937	2,631,222	-	-	-	2,631,222
	4,028,937	(5,058)	19,767,010	967,239	24,758,128	2,631,222	(5,374)	4,216,130	227,533	7,069,511
<b>Insurance service result</b>	(15,845,518)	(5,058)	19,767,010	967,239	4,883,673	(8,639,267)	(5,374)	4,216,130	227,533	(4,200,978)
Finance expenses from insurance contracts in profit or loss	-	-	(5,528,913)	-	(5,528,913)	-	-	352,711	-	352,711
<b>Total Changes in the statement of profit or loss</b>	<b>(15,845,518)</b>	<b>(5,058)</b>	<b>14,238,097</b>	<b>967,239</b>	<b>(645,240)</b>	<b>(8,639,267)</b>	<b>(5,374)</b>	<b>4,568,841</b>	<b>227,533</b>	<b>(3,848,267)</b>
Investment components excluded from insurance results	-	-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Premiums received (including investment components)	20,007,150	-	-	-	20,007,150	11,890,545	-	-	-	11,890,545
Insurance acquisition cash flows	(2,050,489)	-	-	-	(2,050,489)	(3,254,286)	-	-	-	(3,254,286)
Claims and other insurance service expenses paid (including investment components)	-	-	(5,242,991)	-	(5,242,991)	-	-	(3,759,662)	-	(3,759,662)
<b>Total cash flows</b>	<b>17,956,661</b>	<b>-</b>	<b>(5,242,991)</b>	<b>-</b>	<b>12,713,670</b>	<b>8,636,259</b>	<b>-</b>	<b>(3,759,662)</b>	<b>-</b>	<b>4,876,597</b>
<b>Non-Cash flow items</b>										
Deposit for premium	678,164	-	-	-	678,164	579,929	-	-	-	579,929
Premiums receivable	688,990	-	-	-	688,990	115,803	-	-	-	115,803
Insurance acquisition and other attributable cost	(1,356,927)	-	-	-	(1,356,927)	(418,349)	-	-	-	(418,349)
<b>Total Non-Cashflow</b>	<b>10,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,227</b>	<b>277,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,383</b>
<b>Net Closing Liabilities Balance - PAA</b>	<b>4,955,758</b>	<b>348</b>	<b>12,804,595</b>	<b>1,681,136</b>	<b>19,441,837</b>	<b>2,834,388</b>	<b>5,406</b>	<b>3,809,489</b>	<b>713,897</b>	<b>7,363,180</b>
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	4,955,758	348	12,804,595	1,681,136	19,441,837	2,834,388	5,406	3,809,489	713,897	7,363,180
<b>Net Closing Balance PAA</b>	<b>4,955,758</b>	<b>348</b>	<b>12,804,595</b>	<b>1,681,136</b>	<b>19,441,837</b>	<b>2,834,388</b>	<b>5,406</b>	<b>3,809,489</b>	<b>713,897</b>	<b>7,363,180</b>

Notes to the financial statements  
For the year ended 31 December 2024

28 Insurance Contract Liabilities - continued

Insurance Contracts measured under PAA(Group life & Health)

	31-Dec-24					31-Dec-23				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
'000										
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	3,462,741	-	1,727,431	64,689	5,254,861	1,408,323	-	1,437,588	57,762	2,903,673
<b>Net Opening Balance - PAA</b>	<b>3,462,741</b>	<b>-</b>	<b>1,727,431</b>	<b>64,689</b>	<b>5,254,861</b>	<b>1,408,323</b>	<b>-</b>	<b>1,437,588</b>	<b>57,762</b>	<b>2,903,673</b>
<b>Changes in the statement of profit or loss</b>										
<i>Insurance revenue</i>										
Contracts under the fair value approach										
Other contracts	(8,143,439)	-	-	-	(8,143,439)	(8,055,385)	-	-	-	(8,055,385)
	<b>(8,143,439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,143,439)</b>	<b>(8,055,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,055,385)</b>
<i>Insurance service expenses</i>										
Incurred claims			6,451,198		6,451,198			3,784,181		3,784,181
Other directly attributable service expenses	-	-	-	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims			1,946,473	131,257	2,077,730			217,343	6,927	224,270
Losses and reversals of losses on onerous contracts	-	228,329	-	-	228,329	-	-	-	-	-
Amortisation of insurance acquisition cash flows	1,563,897				1,563,897	2,406,862				2,406,862
	1,563,897	228,329	8,397,671	131,257	10,321,154	2,406,862	-	4,001,524	6,927	6,415,314
<b>Insurance service result</b>	<b>(6,579,542)</b>	<b>228,329</b>	<b>8,397,671</b>	<b>131,257</b>	<b>2,177,715</b>	<b>(5,648,523)</b>	<b>-</b>	<b>4,001,524</b>	<b>6,927</b>	<b>(1,640,071)</b>
Finance expenses from insurance contracts in profit or loss			(80,703)		(80,703)			47,290		47,290
<b>Total Changes in the statement of profit or loss</b>	<b>(6,579,542)</b>	<b>228,329</b>	<b>8,316,968</b>	<b>131,257</b>	<b>2,097,012</b>	<b>(5,648,523)</b>	<b>-</b>	<b>4,048,814</b>	<b>6,927</b>	<b>(1,592,781)</b>
Investment components excluded from insurance results										
<b>Cash flows</b>										
Premiums received (including investment components)	7,326,685	-	-	-	7,326,685	8,821,812	-	-	-	8,821,812
Insurance acquisition cash flows	(2,007,198)	-	-	-	(2,007,198)	(1,407,197)	-	-	-	(1,407,197)
Claims and other insurance service expenses paid (including investment components)			(6,778,642)		(6,778,642)			(3,758,972)		(3,758,972)
<b>Total cash flows</b>	<b>5,319,487</b>	<b>-</b>	<b>(6,778,642)</b>	<b>-</b>	<b>(1,459,155)</b>	<b>7,414,615</b>	<b>-</b>	<b>(3,758,972)</b>	<b>-</b>	<b>3,655,643</b>
<b>Non-Cash flow items</b>										
Deposit for premium	290,642	-	-	-	290,642	248,541	-	-	-	248,541
Premiums receivable	-	-	-	-	-	39,785	-	-	-	39,785
Insurance acquisition and other attributable cost	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cashflow</b>	<b>290,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,642</b>	<b>288,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,326</b>
<b>Net Closing Liabilities Balance - PAA</b>	<b>2,493,328</b>	<b>228,329</b>	<b>3,265,757</b>	<b>195,946</b>	<b>6,183,360</b>	<b>3,462,741</b>	<b>-</b>	<b>1,727,431</b>	<b>64,689</b>	<b>5,254,861</b>
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	2,493,328	228,329	3,265,757	195,946	6,183,360	3,462,741	-	1,727,431	64,689	5,254,861
<b>Net Closing Balance PAA</b>	<b>2,493,328</b>	<b>228,329</b>	<b>3,265,757</b>	<b>195,946</b>	<b>6,183,360</b>	<b>3,462,741</b>	<b>-</b>	<b>1,727,431</b>	<b>64,689</b>	<b>5,254,861</b>

Notes to the financial statements  
For the year ended 31 December 2024

28 Insurance Contract Liabilities - continued

Insurance Contracts measured under GMM (Individual Life contracts)

	31-Dec-24					31-Dec-23				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
'000										
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	970,746	51,256	12,208	-	1,034,210	885,847	-	12,502	-	898,349
<b>Net Opening Balance - GMM</b>	<b>970,746</b>	<b>51,256</b>	<b>12,208</b>	<b>-</b>	<b>1,034,210</b>	<b>885,847</b>	<b>-</b>	<b>12,502</b>	<b>-</b>	<b>898,349</b>
<b>Changes in the statement of profit or loss</b>										
<i>Insurance revenue</i>										
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
Other contracts	(91,521)	-	-	-	(91,521)	(499,019)	-	-	-	(499,019)
	<b>(91,521)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91,521)</b>	<b>(499,019)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(499,019)</b>
<i>Insurance service expenses</i>										
Incurred claims	-	-	126,453	-	126,453	-	-	89,189	-	89,189
Other directly attributable service expenses	-	-	8,561	-	8,561	-	-	17	-	17
Adjustments to liabilities for incurred claims	-	-	42,570	-	42,570	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acquisition cash flows	26,654	-	-	-	26,654	-	51,256	-	-	51,256
	<b>26,654</b>	<b>-</b>	<b>177,584</b>	<b>-</b>	<b>204,238</b>	<b>-</b>	<b>51,256</b>	<b>89,206</b>	<b>-</b>	<b>140,462</b>
<b>Insurance service result</b>	<b>(64,867)</b>	<b>-</b>	<b>177,584</b>	<b>-</b>	<b>112,717</b>	<b>(499,019)</b>	<b>51,256</b>	<b>89,206</b>	<b>-</b>	<b>(358,558)</b>
Finance expenses from insurance contracts in profit or loss	-	-	(10,978)	-	(10,978)	-	-	189,966	-	189,966
<b>Total Changes in the statement of profit or loss</b>	<b>(64,867)</b>	<b>-</b>	<b>166,606</b>	<b>-</b>	<b>101,739</b>	<b>(499,019)</b>	<b>51,256</b>	<b>279,172</b>	<b>-</b>	<b>(168,592)</b>
Investment components excluded from insurance results	-	-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Premiums received (including investment components)	568,223	-	-	-	568,223	765,480	-	-	-	765,480
Insurance acquisition cash flows	(205,375)	-	-	-	(205,375)	(181,561)	-	-	-	(181,561)
Claims and other insurance service expenses paid (including investment components)	-	-	(174,580)	-	(174,580)	-	-	(279,466)	-	(279,466)
<b>Total cash flows</b>	<b>362,848</b>	<b>-</b>	<b>(174,580)</b>	<b>-</b>	<b>188,268</b>	<b>583,919</b>	<b>-</b>	<b>(279,466)</b>	<b>-</b>	<b>304,453</b>
<b>Non-Cash flow items</b>										
Premiums receivable	-	-	-	-	-	-	-	-	-	-
Insurance acquisition and other attributable cost	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cashflow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Closing Liabilities Balance - GMM</b>	<b>1,268,727</b>	<b>51,256</b>	<b>4,234</b>	<b>-</b>	<b>1,324,217</b>	<b>970,746</b>	<b>51,256</b>	<b>12,208</b>	<b>-</b>	<b>1,034,210</b>
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	1,268,727	51,256	4,234	-	1,324,217	970,746	51,256	12,208	-	1,034,210
<b>Net Closing Balance GMM</b>	<b>1,268,727</b>	<b>51,256</b>	<b>4,234</b>	<b>-</b>	<b>1,324,217</b>	<b>970,746</b>	<b>51,256</b>	<b>12,208</b>	<b>-</b>	<b>1,034,210</b>

Notes to the financial statements  
For the year ended 31 December 2024

28 Insurance Contract Liabilities - continued

Insurance Contracts Analysed by Components: GMM

'000	31-Dec-24				31-Dec-23			
	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total	Estimates of present value of future cash flows	Risk Adjustment	CSM	Total
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	(4,441)	9,940	1,028,711	1,034,210	842,681	(2,512)	58,180	898,349
<b>Net Opening Balance Analysed by Components - GMM</b>	<b>(4,441)</b>	<b>9,940</b>	<b>1,028,711</b>	<b>1,034,210</b>	<b>842,681</b>	<b>(2,512)</b>	<b>58,180</b>	<b>898,349</b>
<b>Changes in the statement of profit or loss</b>								
<i>Changes that relate to current service</i>								
CSM recognised for services provided	-	-	(17,598)	(17,598)	-	-	(393,432)	(393,432)
Change in risk adjustment for non-financial risk for risk expired	-	(3,813)	-	(3,813)	-	(3,256)	-	(3,256)
Experience adjustments	(26,074)	-	-	(26,074)	(33,290)	-	-	(33,290)
<b>Total-Changes that relate to current service</b>	<b>(26,074)</b>	<b>(3,813)</b>	<b>(17,598)</b>	<b>(47,485)</b>	<b>(33,290)</b>	<b>(3,256)</b>	<b>(393,432)</b>	<b>(429,978)</b>
<i>Changes that relate to future service</i>								
Contracts initially recognised in the year	727,384	262,219	524,437	1,514,040	(1,218,061)	718,923	1,437,845	938,707
Changes in estimates that adjust the CSM	(126,763)	(253,524)	(1,100,005)	(1,480,292)	(179,395)	(703,215)	(73,882)	(956,492)
<i>Changes that relate to past service</i>								
Adjustments to liabilities for incurred claims	126,453	-	-	126,453	89,205	-	-	89,205
<b>Insurance service result</b>	<b>701,001</b>	<b>4,882</b>	<b>(593,166)</b>	<b>112,717</b>	<b>(1,341,541)</b>	<b>12,452</b>	<b>970,531</b>	<b>(358,558)</b>
Finance expenses from insurance contracts in profit or loss	(10,978)	-	-	(10,978)	189,966	-	-	189,966
<b>Total Changes in the statement of profit or loss</b>	<b>690,023</b>	<b>4,882</b>	<b>(593,166)</b>	<b>101,739</b>	<b>(1,151,575)</b>	<b>12,452</b>	<b>970,531</b>	<b>(168,592)</b>
<b>Cash flows</b>								
Premiums received (including investment components)	568,223	-	-	568,223	765,480	-	-	765,480
Insurance acquisition cash flows	(205,375)	-	-	(205,375)	(232,816)	-	-	(232,816)
Claims and other insurance service expenses paid (including investment components)	(174,580)	-	-	(174,580)	(228,211)	-	-	(228,211)
<b>Total cash flows</b>	<b>188,268</b>	<b>-</b>	<b>-</b>	<b>188,268</b>	<b>304,453</b>	<b>-</b>	<b>-</b>	<b>304,453</b>
<b>Net Closing Liabilities Analysed by Component-GMM</b>	<b>873,850</b>	<b>14,822</b>	<b>435,545</b>	<b>1,324,217</b>	<b>(4,441)</b>	<b>9,940</b>	<b>1,028,711</b>	<b>1,034,210</b>
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31 December	873,850	14,822	435,545	1,324,217	(4,441)	9,940	1,028,711	1,034,210
<b>Net Closing balance Analysed by Component-GMM</b>	<b>873,850</b>	<b>14,822</b>	<b>435,545</b>	<b>1,324,217</b>	<b>(4,441)</b>	<b>9,940</b>	<b>1,028,711</b>	<b>1,034,210</b>

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

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss

Life Business	31-Dec-24					31-Dec-23				
	< than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total	< than 1 year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
Insurance Contracts	152,441	108,886	95,820	78,398	435,545	413,684	310,263	201,343	103,421	1,028,711
Reinsurance Contracts	(29,113)	(36,835)	(24,557)	(29,537)	(120,042)	(9,188)	(6,563)	(5,775)	(4,725)	(26,251)
<b>Net CSM remaining</b>	<b>123,328</b>	<b>72,051</b>	<b>71,263</b>	<b>48,861</b>	<b>315,503</b>	<b>404,496</b>	<b>303,700</b>	<b>195,568</b>	<b>98,696</b>	<b>1,002,460</b>

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance contract measured under the GMM model in the year

	31-Dec-24					31-Dec-23				
	Contracts Issued		Acquired Contracts		Total	Contracts Issued		Acquired Contracts		Total
	Profitable contracts	Onerous contracts	Profitable contracts	Onerous contracts		Profitable contracts	Onerous contracts	Profitable contracts	Onerous contracts	
Insurance acquisition cash flows	258,056	260,581	-	-	518,637	269,247	174,262	-	-	443,509
Claims and other directly attributable expense	(304,186)	1,200,299	-	-	896,113	(1,713,474)	1,030,318	-	-	(683,156)
<b>Estimates of the present value of future cash outflows</b>	<b>(46,130)</b>	<b>1,460,880</b>	<b>-</b>	<b>-</b>	<b>1,414,750</b>	<b>(1,444,227)</b>	<b>1,204,580</b>	<b>-</b>	<b>-</b>	<b>(239,647)</b>
Estimates of the present value of future cash inflows	(583,195)	(104,171)	-	-	(687,366)	(281,187)	(697,227)	-	-	(978,414)
Risk adjustment for non-financial risk	104,888	157,331	-	-	262,219	287,569	431,354	-	-	718,923
CSM	524,437	-	-	-	524,437	1,437,845	-	-	-	1,437,845
Increase in insurance contracts liabilities from contracts recognised in the period	-	1,514,040	-	-	1,514,040	-	938,707	-	-	938,707

Notes to the financial statements  
For the year ended 31 December 2024- Continued

28 Insurance Contract Liabilities-Cont'd

28.6 Age Analysis of Outstanding claims  
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AGE	Nonlife				Life				Composite			
	2024		2023		2024		2023		2024		2023	
	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount	No of Claimants	Amount
0 - 90	174	444,259	335	534,054	189	171,438	18	42,103	363	615,697	353	576,157
91 - 180	298	10,821,121	205	186,188	113	706,620	-	-	411	11,527,741	205	186,188
181 - 270	236	455,367	138	354,806	68	118,445	27	45,612	304	573,813	165	400,418
271 - 360	219	560,578	49	91,476	145	249,095	-	-	364	809,674	49	91,476
361 and above	2,166	1,721,976	1,751	1,090,425	243	247,564	201	263,146	2,409	1,969,540	1,952	1,353,570
<b>Total</b>	<b>3,093</b>	<b>14,003,301</b>	<b>2,478</b>	<b>2,256,948</b>	<b>758</b>	<b>1,493,163</b>	<b>246</b>	<b>350,861</b>	<b>3,851</b>	<b>15,496,464</b>	<b>2,724</b>	<b>2,607,809</b>

Reason for being outstanding  
2024\_Life

Reasons/days	QTY	0 - 90	QTY	91 - 180	QTY	181 - 270	QTY	271 - 360	QTY	361 and above	Total QTY	Total
Discharged vouchers signed and returned to policyholders	-	-	-	-	-	-	-	-	-	-	-	-
Discharge Vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	189	171,438	113	706,620	68	118,445	145	249,095	243	247,564	758	1,493,163
Claims reported but being adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting adjusters final report	-	-	-	-	-	-	-	-	-	-	-	-
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>189</b>	<b>171,438</b>	<b>113</b>	<b>706,620</b>	<b>68</b>	<b>118,445</b>	<b>145</b>	<b>249,095</b>	<b>243</b>	<b>247,564</b>	<b>758</b>	<b>1,493,163</b>

2024\_NonLife

Reasons/days	QTY	0 - 90	QTY	91 - 180	QTY	181 - 270	QTY	271 - 360	QTY	361 and above	Total QTY	Total
Discharged vouchers signed and returned to policyholders	-	-	-	-	-	-	-	-	-	-	-	-
Discharge Vouchers not yet signed	13	57,544	55	549,628	12	11,476	-	-	-	-	80	618,648
Claims reported but incomplete documentation	66	86,316	43	4,382,579	147	357,819	118	317,676	1,721	1,426,545	2,095	6,570,935
Claims reported but being adjusted	54	87,720	72	2,198,512	77	86,072	57	80,967	101	98,477	361	2,551,748
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting adjusters final report	41	212,679	128	3,690,402	-	-	44	161,935	344	196,954	557	4,261,970
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>174</b>	<b>444,259</b>	<b>298</b>	<b>10,821,121</b>	<b>236</b>	<b>455,367</b>	<b>219</b>	<b>560,578</b>	<b>2,166</b>	<b>1,721,976</b>	<b>3,093</b>	<b>14,003,301</b>

2023\_Life

Reasons/days	QTY	0 - 90	QTY	91 - 180	QTY	181 - 270	QTY	271 - 360	QTY	361 and above	Total QTY	Total
Discharged vouchers signed and returned to policyholders	-	-	-	-	-	-	-	-	-	-	-	-
Discharge Vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	18	42,103	-	-	27	45,612	-	-	201	263,146	246	350,861
Claims reported but being adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting adjusters final report	-	-	-	-	-	-	-	-	-	-	-	-
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18</b>	<b>42,103</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>45,612</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>263,146</b>	<b>246</b>	<b>350,861</b>

2023\_NonLife

Reasons/days	QTY	0 - 90	QTY	91 - 180	QTY	181 - 270	QTY	271 - 360	QTY	361 and above	Total QTY	Total
Discharged vouchers signed and returned to policyholders	-	-	-	-	-	-	-	-	-	-	-	-
Discharge Vouchers not yet signed	27	57,616	4	9,309	5	8,008	-	-	-	-	36	74,934
Claims reported but incomplete documentation	74	101,936	26	37,238	9	60,063	5	9,148	33	67,679	147	276,062
Claims reported but being adjusted	12	86,424	99	65,166	124	286,735	33	64,033	1,656	887,389	1,924	1,389,746
Claims repudiated	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting adjusters final report	222	288,079	76	74,475	-	-	11	18,295	62	135,357	371	516,206
Litigation awarded	-	-	-	-	-	-	-	-	-	-	-	-
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	-	-	-	-	-	-
Third party liability outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Adjusters fee payable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>335</b>	<b>534,054</b>	<b>205</b>	<b>186,188</b>	<b>138</b>	<b>354,806</b>	<b>49</b>	<b>91,476</b>	<b>1,751</b>	<b>1,090,425</b>	<b>2,478</b>	<b>2,256,948</b>

**Notes to the financial statements**

For the year ended 31 December 2024

**29 Trade Payable**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Payable to coinsurers and partners (see note 29 (a))	970,760	1,634,444
Insurance payables (see note 29(b))	2,628,074	1,526,005
	<u>3,598,834</u>	<u>3,160,449</u>

**29 (a) Payable to coinsurers and partners**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Premium payable to coinsurers	129,802	577,263
Payable to Hollard Health-Share of Health Insurance Premium*	840,958	1,057,181
	<u>970,760</u>	<u>1,634,444</u>

\*This relates to proportion of premium received on the sales of health insurance product that is due to/ payable to Hollard. The product operates a sharing scheme whereby premium and associated liabilities are shared between Hollard and NSIA based on agreement consented to by both parties.

**29 (b) Insurance payables**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Commission payable	1,356,927	531,399
Claims Payable*	219,171	25,801
Sundry (Premium) deposit**	1,051,976	968,805
	<u>2,628,074</u>	<u>1,526,005</u>

\* Claims payable represents claims already processed and closed by the claims department but awaiting payment by the financial control dept as at 31st December, 2024. All of these have been paid/settled on or before 31st March, 2025

\*\*Sundry (Premium) deposits comprise unreconciled credit deposits into the Company's account for which documentation are yet to be received from customers. The average age of this is about 180 days

**30 Other payables and accruals**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Accruals (see note 30(a) below)	556,915	648,016
Sundry payables (see note 30(b) below)	1,427,330	632,247
	<u>1,984,245</u>	<u>1,280,263</u>
<i>Categorized into financial liabilities &amp; Non financial liabilities</i>		
Financial Liabilities	1,073,248	535,258
Non-financial liabilities	910,997	745,005
	<u>1,984,245</u>	<u>1,280,263</u>

**30 (a) Breakdown of accruals**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Audit fees (including ICFR fee)	53,598	37,948
ITF levy	8,412	15,595
Actuarial fees	24,208	8,782
NAICOM levy	301,835	223,162
Productivity bonus	66,558	150,000
Staff allowances	40,483	159,424
Other staff account payable	17,700	8,984
Vendors and suppliers	39,349	39,349
Investment custodian fee payable*	4,772	4,772
	<u>556,915</u>	<u>648,016</u>

**Notes to the financial statements**

For the year ended 31 December 2024

**Other payables and accruals - continued**

\*This relates to amount payable with respect to provision of custodian services to NSIA as all treasury instruments(Treasury Bills,Bonds etc) issued by the Government is expected to be domiciled with a registered custodian that serves as depository for such instruments.The custodian services is for Domiciliation purpose only and in this case, our custodian for this purpose is UBA Custodian Ltd.

**30 (b) Breakdown of sundry payables**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Withholding taxes payable	96,843	81,510
PAYE	27,714	2,334
Pension	-	41,720
Accrued Directors' fees	893,138	275,999
VAT payable	409,635	230,684
	<u>1,427,330</u>	<u>632,247</u>
The carrying amounts disclosed above approximate the fair value at the reporting date.		
Due within 12 months	<u>1,984,245</u>	<u>1,280,263</u>
	<u>1,984,245</u>	<u>1,280,263</u>

**31 Deposit for shares**

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>At beginning of year</b>	-	226,344
Dividend capitalised*	-	-
Deposit Withdrawal**	-	(226,344)
<b>At end of year</b>	<u>-</u>	<u>-</u>

\*This relates to proportion of dividend paid that was due to NSIA Participation(the parent) which the parent have advised to be kept as part of deposit for shares.Cash payment were made to other shareholders.

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

**Notes to the financial statements**

For the year ended 31 December 2024

**32 Taxation**

**32.1 Tax expense**

	2024	2023
	₦'000	₦'000
Minimum tax	228,439	85,599
NITDA levy	35,630	33,964
Nigeria Police Trust Fund(NPTF)	178	167
	<u>264,247</u>	<u>119,730</u>
Deferred tax	1,820	(1,159)
Charge for the year	<u>266,067</u>	<u>118,571</u>

Charge for the year is analyzed below:

	2024	2023
	₦'000	₦'000
Minimum tax	228,439	85,599
Income tax	35,808	34,132
	<u>264,247</u>	<u>119,730</u>

**32.2 Current tax liabilities**

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

	2024	2023
	₦'000	₦'000
At 1 January	165,375	95,665
Payment during the year	(218,043)	(50,020)
Charge for the year	264,247	119,730
At 31 December	<u>211,579</u>	<u>165,375</u>

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

**32.3 Effective tax reconciliation**

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

	%	2024	%	2023
Profit before tax		<u>3,443,843</u>		<u>3,213,934</u>
Tax calculated at the tax rate of 30%	30%	1,033,153	30%	964,180
Effect of:				
Impact of minimum tax	7%	228,439	3%	85,599
NITDA levy	1%	35,630	1%	33,964
Nigeria Police Trust Fund		178		167
Income not subject to tax	(78%)	(2,681,330)	(68%)	(2,202,176)
Non-deductible expenses	48%	1,649,997	39%	1,236,837
Effective tax	8%	<u>266,067</u>	4%	<u>118,571</u>

**33 Capital and reserves**

**33.1 Share capital**

**Issued and Paid-up:**

	2024	2023
	Number of shares 000	Ordinary shares ₦'000
At 31 December 2024 (50 Kobo each)	<u>18,000,000</u>	<u>9,000,000</u>
At 31 December 2023 (50 Kobo each)	<u>18,000,000</u>	<u>9,000,000</u>

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

	2024	2023
	₦'000	₦'000
At 1 January	9,000,000	9,000,000
At 31 December	<u>9,000,000</u>	<u>9,000,000</u>

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

	2024	2023
	'000	'000
At 1 January	18,000,000	18,000,000
Increase	-	-
At 31 December	<u>18,000,000</u>	<u>18,000,000</u>

The total minimum number of ordinary shares and paid-up share as at year end was 18 billion and 18 billion respectively (2023: 18 billion/18.0 billion) with a par value of 50k per share (2023: 50k per share).

**33.2 Statutory contingency reserve**

In accordance with the Insurance Act of Nigeria, a Contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

	2024	2023
	₦'000	₦'000
This is composed of		
Non life business	3,487,661	2,818,384
Life business	574,754	496,342
	<u>4,062,415</u>	<u>3,314,726</u>
<b>Non life business</b>		
At the beginning of the year	2,818,384	2,359,215
Transfer from Retained earnings (see note 33.5)	669,277	459,169
At end of the year	<u>3,487,661</u>	<u>2,818,384</u>
<b>Life business</b>		
At the beginning of the year	496,342	390,546
Transfer from Retained earnings (see note 33.5)	78,412	105,796
At end of the year	<u>574,754</u>	<u>496,342</u>
<b>Total</b>	<u>4,062,415</u>	<u>3,314,726</u>

**Notes to the financial statements**

For the year ended 31 December 2024

	Non-Life	Life (including Health)	Higher of Premium or Profit
<b>2024</b>			
<b>Gross premium written</b>	22,309,222	7,841,269	
Rate	3%	1%	
Result	669,277	78,412	669,277
<b>Profit after tax</b>	2,435,268	742,507	
Rate	20%	10%	
Result	487,054	74,251	78,412
Contingency reserve			747,689
<b>2023</b>			
<b>Gross premium written</b>	11,714,426	10,579,548	
Rate	3%	1%	
Result	351,433	105,795	459,169
<b>Profit before tax</b>	2,295,844	799,518	
Rate	20%	10%	
Result	459,169	79,952	105,795
Contingency reserve			564,964

**33.3 Asset revaluation reserve**

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

	2024	2023
	₦'000	₦'000
At the beginning of the year	1,966,665	1,827,114
Revaluation gains, gross	588,120	155,057
Deferred tax relating to asset revaluation (see note 23)	(58,812)	(15,506)
Revaluation gains, net of tax	529,308	139,551
At end of the year	2,495,973	1,966,665
Asset revaluation reserves is analyzed as follows:		
	2024	2023
	₦'000	₦'000
Gross amount	2,268,907	2,268,907
Related deferred tax liability	227,066	(302,242)
Net amount	2,495,973	1,966,665

**33.4 Fair value reserve**

The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired. See statement of changes in equity for movement in fair value reserve.

	2024	2023
	₦'000	₦'000
At the beginning of the year	272,750	124,282
<b>Additions during the year:</b>		
-Net fair value gain or loss on equity instrument at FVOCI (Note 18b(i))	169,071	148,468
At end of the year	441,821	272,750
Net movement during the year	169,071	148,468

**33.5 Retained earnings**

The retained earnings consist only of distributable profits, undistributed from previous years. It represents the amount available for dividend distribution to the equity shareholders of the Company. See statement of changes in equity for movement in retained earnings.

	2024	2023
	₦'000	₦'000
At the beginning of the year	2,796,565	662,165
Dividends declared to ordinary equity shareholders during the year (see note (34) below)	-	(395,999)
Profit for the year	3,177,776	3,095,363
Transfer to contingency reserve	(747,689)	(564,964)
At end of the year	5,226,652	2,796,565

**34 Dividend**

During the year, nil dividend was declared (0k per share) (2023: N395,999,000(2.2k per share)) was paid as final dividend for 2023 financial year

**35**

*(a) Legal proceedings and regulations*

The Company is presently involved in five (2023: Five) litigations with estimated claims of ₦2,431.79 million (2023: ₦2,431.79 million). In the Directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any material effect on the financial position of the Company.

*(b) Capital commitments*

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of financial affairs have been taken into account in the preparation of these financial statements. The Company had no capital commitment as at 31 December 2024 (31 December 2023: Nil).

*(c) Contingent liability*

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

**Notes to the financial statements**

For the year ended 31 December 2024

**36 Contravention of laws and regulations**

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

**37 (a) Related party disclosures**

*Transactions with Parent company*

NSIA Participations Holding SA (incorporated in Cote D'Ivoire) is the parent Company. NSIA does not have any related party transactions for the year ended 31 December 2024 (31 December 2023:dividend due of (N396m) and deposit for share of N226m that was refunded to the group during the year.)

**37 (b) Compensation of key management personnel**

Key management personnel of the company includes all directors (executive and non-executive) members of the management committee.

The summary of compensation of key management personnel for the year is as follows:

	2024	2023
	N'000	N'000
Salaries	257,996	214,996
Fees (see note (b)(i) below)	12,000	48,701
Other short-term employment benefits	22,558	17,353
	<u>292,554</u>	<u>281,050</u>
<i>Loans and advances to Directors</i>		
Balance at 1 January	-	24,265
Granted during the year	-	-
Repayments	-	(24,265)
<b>At 31 December</b>	-	-

Loans to key management personnel include mortgage loans which are given under terms that are not more favourable than those given to other staff. Mortgage loans are secured by the underlying assets. The loan is performing as they are been repaid according to the terms of the contract

Applicable impairment allowance has been recognised in respect of loans given to key management personnel as part of impairment charge on financial asset in note 14

**38 Employees and directors**

**(a) Employees**

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

	2024	2023
	Number	Number
Executive directors	2	3
Management	12	12
Non-management	122	121
	<u>136</u>	<u>136</u>

The number of employees of the Company, other than non-executive directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	2024	2023
	Number	Number
Less than N2,000,000	6	7
N2,000,001 - N3,500,000	27	23
N3,500,000 - N5,000,000	33	37
N5,000,000 - N7,500,000	38	40
N7,500,000 - and Above	32	29
	<u>136</u>	<u>136</u>

**(b) Directors**

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

	2024	2023
	N'000	N'000
Fees and sitting allowances	116,294	33,214
Executive compensation	234,078	66,853
	<u>350,372</u>	<u>100,067</u>

The chairman  
The highest paid director

24,200      16,600  
72,393      60,327

*in Number*

**2024      2023**

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

	2024	2023
	Number	Number
Above 3,400,000	11	13

**39 Events after the reporting period**

**39a Events after the reporting period**

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

**40 Reconciliation of Statement of Cash flows**

	Notes	2024	2023
		N'000	N'000
<b>40.1 Insurance premium received</b>			
Opening insurance receivable	19(a)	155,588	167,921
Total Premium on all Insurance Contracts during the year	19(a)	30,150,491	22,293,974
Closing insurance receivable	19(a)	(1,435,217)	(155,588)
		<u>28,870,862</u>	<u>22,306,307</u>
less Sundry (premium) deposit	29(b)	(968,805)	(828,470)
		<u>27,902,057</u>	<u>21,477,837</u>
Gross premium written represents gross amount and net not amount in cases whereby commissions due to third parties have been deducted at source			
<b>41.2 Reinsurance premium paid</b>			
Opening reinsurance payable	29 (a)	(1,634,444)	(942,907)
Total Premium ceded out on all Insurance Contracts during the year		(12,717,598)	(8,255,205)
Prepaid minimum and deposit reinsurance during the year	21(a)(ii)	1,394,542	244,549
Closing reinsurance payable	29 (a)	970,760	1,634,444
		<u>(11,986,740)</u>	<u>(7,319,119)</u>
<b>41.3 Net inflow from deposit admin</b>			
Deposits received		436,199	126,042
Withdrawal		(210,865)	(187,199)
		<u>225,334</u>	<u>(61,157)</u>

**Notes to the financial statements**

For the year ended 31 December 2024

		<b>2024</b>	<b>2023</b>
<b>41.4 Cash paid to employees, intermediaries and other suppliers</b>			
Personnel Expenses	15(a)	(2,161,382)	(1,843,084)
Other operating expenses	15(b)	(4,005,230)	(2,452,418)
Less non-cash items:			
Depreciation	15(b)	322,553	246,248
Amortization	15(b)	-	4,400
Movement in prepaid expenses		(15,858)	124,652
Movement in payables		3,751,080	3,373,556
Net cash flow from other debtors:			
- Additions	21(b)	10,176	23,817
- Dividend income	10 (a)	21,897	10,519
		<u>(2,076,764)</u>	<u>(512,310)</u>
<b>41.5 Other income received</b>			
Other sundry income	11(a)	₦000	₦000
		374	6,816
		<u>374</u>	<u>6,816</u>
<b>42.1 Interest income received</b>			
Net Investment income	10	3,017,761	2,051,742
Interest Income on deposit administration	7	20,974	13,126
(Gain)/loss on financial assets disposal	10 (a)	34,129	(433)
Financial assets - Interest income	10 (a)	(2,681,330)	(1,823,634)
		<u>391,534</u>	<u>240,801</u>
<b>42.2 Dividend received</b>			
Dividend receivable - at beginning of year	21 (b)	3,732	3,732
Dividend income on equity securities	10 (a)	21,897	10,519
Dividend receivable - at end of year	21 (b)	(3,732)	(3,732)
		<u>21,897</u>	<u>10,519</u>
<b>42.3 Proceeds from disposal of property and equipment</b>			
Cost of property and equipment	25	3,455	16,055
Accumulated depreciation of property and equipment	25	(3,455)	(11,665)
Profit on sale of property and equipment	11(a)	42,044	-
		<u>42,044</u>	<u>4,390</u>
<b>42.4 Movement in financial assets</b>			
<b>42.4(a) Addition to financial asset</b>			
Purchase of Treasury bills	18 (c)	(384,640)	-
Purchase of Federal Government Bonds	18 (c)	(1,406,945)	(3,703,346)
Staff and policy loan disbursed and long term placement purchased during the year	18 (c)	(17,696)	(2,221)
		<u>(1,809,281)</u>	<u>(3,705,567)</u>
<b>42.4(b) Proceed from disposal/redemption of financial assets</b>			
Bond/Loan repayment/redemption	18 (c)	1,817,538	1,378,610
(Gain)/loss on financial assets disposal	10 (a)	(34,129)	433
		<u>1,783,409</u>	<u>1,379,043</u>
<b>42.5 Net cash flow received from coinsurer on recovery of claims paid</b>			
Changes in recovery of claims paid from coinsurer on Non-life businesses	19(b)	(2,602,332)	(891)
Changes in recovery of claims paid from coinsurer on life business	19(c)	(279,878)	(383,177)
Net cash flow received		<u>(2,882,210)</u>	<u>(384,068)</u>
<b>42.6 Effect of exchange rate fluctuations</b>			
Cash and cash equivalents	11(a)(ii)	723,882	450,173
		<u>723,882</u>	<u>450,173</u>
<b>42.7 Dividend paid</b>			
Total Dividend Declared and paid		-	395,999
		<u>-</u>	<u>395,999</u>
<b>42.8 Deposit for Shares</b>			
Received from potential investors		-	-
Refund to potential investors		-	226,344
		<u>-</u>	<u>226,344</u>

**Notes to the financial statements - Continued**

For the year ended 31 December 2024

**43 Segment Information**

Following the management approach of IFRS 8, the Company is organised into two operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable segments by product line. These segments and their respective operations are as follows:

**Non life business**

The protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are over a short contractual term. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

**Life business**

Protection of customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit or loss.

The segment information provided by Management for the operations of the reporting segments for the year 31 December 2024.

	2024				2023				
	Non life N'000	Life N'000	Health N'000	Total N'000	Non life N'000	Life N'000	Health N'000	Total N'000	
Insurance Revenue	19,874,455	7,221,047	1,014,011	28,109,513	11,270,489	5,782,361	2,772,043	19,824,893	
Insurance Service Expenses	(24,758,128)	(7,555,055)	(2,970,337)	(35,283,520)	(7,069,511)	(4,896,367)	(1,659,409)	(13,625,287)	
Net Expenses from reinsurance contracts held	2,566,444	2,815,256	1,433,553	6,815,253	(2,735,465)	(354,809)	(221,602)	(3,311,876)	
<b>Insurance Service result</b>	<b>(2,317,229)</b>	<b>2,481,248</b>	<b>(522,773)</b>	<b>(358,754)</b>	<b>1,465,513</b>	<b>531,185</b>	<b>891,032</b>	<b>2,887,730</b>	
Profit on deposit administration	-	12,149	-	12,149	-	5,900	-	5,900	
Net Investment income	2,174,365	590,377	253,019	3,017,761	1,645,291	284,516	121,935	2,051,742	
Other income	4,755,526	33,987	79,302	4,868,815	2,497,720	153,151	357,353	3,008,224	
Fair value gain on investment property	-	18,198	-	18,198	-	(11,588)	-	(11,588)	
Credit loss (expense)/reversal	(659,565)	-	-	(659,565)	(5,583)	-	-	(5,583)	
<b>Total investment &amp; Other income</b>	<b>6,270,326</b>	<b>654,711</b>	<b>332,321</b>	<b>7,257,358</b>	<b>4,137,428</b>	<b>431,979</b>	<b>479,288</b>	<b>5,048,695</b>	
Net Finance income/(expenses) from insurance contracts	5,528,913	64,177	27,504	5,620,594	(352,711)	(163,486)	(73,770)	(589,967)	
Net Finance (Expense)/ Income from reinsurance contracts	(2,895,368)	(9,363)	(4,013)	(2,908,743)	149,742	9,265	3,971	162,978	
Other operating expenses	(3,893,873)	(1,297,561)	(975,179)	(6,166,612)	(2,996,923)	(966,955)	(331,624)	(4,295,502)	
Reportable segment profit	2,692,770	1,893,212	(1,142,139)	3,443,843	2,403,049	(158,012)	968,897	3,213,934	
<b>Profit before tax</b>	<b>2,692,770</b>	<b>1,893,212</b>	<b>(1,142,139)</b>	<b>3,443,843</b>	<b>2,403,049</b>	<b>(158,012)</b>	<b>968,897</b>	<b>3,213,934</b>	
Income tax expenses	(257,501)	(5,998)	(2,568)	(266,067)	(107,205)	(7,958)	(3,408)	(118,571)	
<b>Profit after tax</b>	<b>2,435,268</b>	<b>1,887,213</b>	<b>(1,144,706)</b>	<b>3,177,776</b>	<b>2,295,845</b>	<b>(165,969)</b>	<b>965,488</b>	<b>3,095,363</b>	

No single external customer contributed 10 per cent or more of the entity's revenues as at year end.

Joint expenses between nonlife and life are allocated on 70:30 basis respectively.

**Notes to the financial statements - Continued**

For the year ended 31 December 2024

The segment information provided by Management for the financial position of the reporting segments for the year ended 31 December 2024

	2024			31-Dec-2023		
	Non life ₹'000	Life* ₹'000	Total ₹'000	Non life ₹'000	Life* ₹'000	Total ₹'000
<b>Asset</b>						
Cash and cash equivalents	1,971,134	1,066,215	3,037,349	1,330,868	952,900	2,283,768
Financial assets	21,320,962	8,774,756	30,095,718	17,788,476	5,407,698	23,196,174
Trade Receivable	2,885,639	1,601,112	4,486,751	74,457	636,814	711,271
Reinsurance contract assets	9,139,583	1,974,944	11,114,527	3,270,002	1,567,378	4,837,380
Other receivables and prepayments	288,142	33,165	321,307	304,258	22,731	326,989
Investment property	-	266,400	266,400	-	248,202	248,202
Intangible assets	10	-	10	10	-	10
Property and equipment	4,795,838	-	4,795,838	3,838,641	-	3,838,641
Statutory deposits	500,400	400,000	900,400	500,400	400,000	900,400
<b>Total assets</b>	<b>40,901,708</b>	<b>14,116,592</b>	<b>55,018,300</b>	<b>27,107,112</b>	<b>9,235,723</b>	<b>36,342,835</b>
<b>Liabilities</b>						
Investment contract liabilities	-	335,341	335,341	-	101,182	101,182
Insurance contract liabilities	19,441,837	7,507,577	26,949,414	7,363,279	6,288,972	13,652,251
Trade payable	783,739	1,763,118	2,546,857	402,756	1,788,888	2,191,644
Other payables and accruals	4,218,177	(1,181,955)	3,036,222	6,848,538	(4,599,470)	2,249,068
Deposit for shares	-	-	-	-	-	-
Deferred tax liabilities	709,353	2,673	712,026	631,755	853	632,608
Current tax liabilities	179,249	32,330	211,579	128,468	36,907	165,375
<b>Total Liabilities</b>	<b>25,332,355</b>	<b>8,459,084</b>	<b>33,791,439</b>	<b>15,374,796</b>	<b>3,617,332</b>	<b>18,992,128</b>
<b>Equity</b>						
Share capital	5,000,000	4,000,000	9,000,000	5,000,000	4,000,000	9,000,000
Statutory contingency reserve	3,487,665	574,750	4,062,415	2,818,388	496,338	3,314,726
Asset revaluation reserve	2,495,973	-	2,495,973	1,966,665	-	1,966,665
Fair value reserve	437,323	4,497	441,820	251,490	21,260	272,750
Retained earnings	4,148,389	1,078,264	5,226,653	1,695,773	1,100,793	2,796,566
<b>Total equity</b>	<b>15,569,350</b>	<b>5,657,511</b>	<b>21,226,861</b>	<b>11,732,316</b>	<b>5,618,391</b>	<b>17,350,707</b>

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

Notes to the financial statements  
For the year ended 31 December 2024

**44 Revenue accounts for the year ended 31 December 2024**

(i) **Non-life business**

	Motor	Fire	Bond	General Accident	Marine	Engineering	Oil & Energy	Agricultural	Aviation	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<i>Income:</i>										
Insurance Service Revenue	3,533,349	3,502,724	568,832	2,942,046	4,259,961	977,919	3,662,718	80,356	346,550	19,874,455
Insurance Service Expenses	(1,873,858)	(7,604,487)	(122,231)	(2,450,799)	(2,015,596)	(1,074,582)	(9,360,495)	(63,477)	(192,604)	(24,758,128)
Net Expenses from reinsurance contracts held	111,484	2,252,955	(583,398)	(55,549)	(498,887)	(11,097)	1,793,311	(64,104)	(378,271)	2,566,444
Insurance Service result	<u>1,770,975</u>	<u>(1,848,808)</u>	<u>(136,797)</u>	<u>435,698</u>	<u>1,745,478</u>	<u>(107,760)</u>	<u>(3,904,466)</u>	<u>(47,225)</u>	<u>(224,325)</u>	<u>(2,317,229)</u>

(ii) **Life & Health business**

	Individual Life	Group Life	Health	Total
	N'000	N'000	N'000	N'000
<i>Income:</i>				
Insurance Service Revenue	91,521	7,129,526	1,014,011	8,235,058
Insurance Service Expenses	(204,238)	(7,350,817)	(2,970,337)	(10,525,392)
Net Income/(Expenses) from reinsurance contracts held	(49,897)	2,865,153	1,433,553	4,248,809
Insurance Service result	<u>(162,614)</u>	<u>2,643,862</u>	<u>(522,773)</u>	<u>1,958,475</u>

**Revenue accounts for the year ended 31 December 2023**

(i) **Non-life business**

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

(ii) **Life & Health business**

	Individual Life	Group Life	Health	Total
	N'000	N'000	N'000	N'000
<i>Income:</i>				
Insurance Service Revenue	499,019	5,283,341	2,772,043	8,554,403
Insurance Service Expenses	(140,462)	(4,755,904)	(1,659,409)	(6,555,775)
Net Expenses from reinsurance contracts held	(22,406)	(332,403)	(221,602)	(576,411)
Insurance Service result	<u>336,151</u>	<u>195,034</u>	<u>891,032</u>	<u>1,422,217</u>

## **OTHER NATIONAL DISCLOSURES**

**Other National Disclosures:  
Value Added Statement**

	<b>2024</b>		<b>2023</b>	
	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>
Gross premium	30,150,491	509	22,293,974	391
Net benefits and claims	(13,963,832)	(236)	(5,378,658)	(94)
Premiums ceded to reinsurers	(10,541,278)	(178)	(8,120,714)	(142)
Fees and commission income	1,761,827	30	1,057,913	19
Investment Income	7,886,576	133	5,059,966	89
Administrative overheads - local	(9,366,003)	(158)	(9,209,199)	(161)
<b>Value added</b>	<b>5,927,781</b>	<b>100</b>	<b>5,703,282</b>	<b>100</b>
<b>Distribution of value added</b>				
<b>To government:</b>				
Taxes	266,067	4	118,571	2
<b>To employees:</b>				
Salaries and benefits	2,161,382	36	1,843,084	32
<b>To Shareholders:</b>				
Dividend	(720,954)	(12)	395,999	7
<b>The future:</b>				
For replacement of property and equipment (depreciation)	322,553	5	246,248	4
Amortisation of intangible assets	-	-	4,410	0.1
Transfer to contingency reserve	747,689	13	564,964	10
Retained profit for the year	3,151,041	53	2,530,003	43
	<b>5,927,781</b>	<b>100</b>	<b>5,703,282</b>	<b>100</b>

Value added statement represents the wealth created by the efforts of the Company and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

**Other National Disclosures:**  
**Five-Year Financial summary**

	2024	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	3,037,349	2,283,768	2,080,662	2,661,134	2,073,477
Financial assets	30,095,718	23,196,174	16,341,736	14,096,358	12,494,045
Trade receivables	4,486,751	711,271	339,536	287,981	230,459
Reinsurance assets	11,114,527	4,837,380	4,572,298	3,165,705	1,954,191
Other receivables	321,307	326,989	178,519	183,235	281,646
Investment properties	266,400	248,202	247,030	246,300	249,215
Intangible assets	10	10	4,410	8,820	13,230
Property and equipment	4,795,838	3,838,641	3,483,207	3,573,679	3,618,029
Statutory deposits	900,400	900,400	900,400	900,400	900,400
<b>TOTAL ASSETS</b>	<b>55,018,300</b>	<b>36,342,835</b>	<b>28,147,797</b>	<b>25,123,612</b>	<b>21,814,692</b>
<b>LIABILITIES</b>					
Investment contract liabilities	335,341	101,182	155,113	226,696	192,615
Insurance contract liabilities	26,949,414	13,652,251	9,584,937	7,789,921	5,982,273
Trade payables	3,598,834	2,191,644	1,002,757	1,262,948	707,298
Other payables	1,984,245	2,249,068	1,662,595	1,094,508	607,578
Deferred commission income	-	-	227,449	181,321	124,489
Current tax liabilities	211,579	165,375	95,665	108,483	100,111
Deferred tax liabilities	712,026	632,608	601,764	593,091	588,063
Deposit for Shares	-	-	226,344	226,344	-
<b>TOTAL LIABILITIES</b>	<b>33,791,439</b>	<b>18,992,128</b>	<b>13,556,625</b>	<b>11,483,312</b>	<b>8,302,427</b>
<b>NET ASSETS</b>	<b>21,226,861</b>	<b>17,350,707</b>	<b>14,591,172</b>	<b>13,640,300</b>	<b>13,512,266</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Statutory contingency reserve	4,062,415	3,314,726	2,755,766	2,360,045	2,069,044
Asset revaluation reserve	2,495,973	1,966,665	1,827,113	1,800,077	1,758,174
Fair value reserve	441,821	272,750	124,282	73,918	8,705
Retained earnings	5,226,652	2,796,566	884,011	406,260	676,342
<b>SHAREHOLDER'S FUNDS</b>	<b>21,226,861</b>	<b>17,350,707</b>	<b>14,591,172</b>	<b>13,640,300</b>	<b>13,512,266</b>
	2024	30 Dec 2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance Service Revenue	28,109,513	19,824,893	16,812,439	12,674,852	10,156,424
Insurance Service Expenses	(35,283,520)	(13,625,287)	(11,760,747)	(9,369,693)	(6,241,273)
Net Expenses from reinsurance contracts held	6,815,253	(3,311,876)	(3,091,457)	(1,635,593)	(2,094,059)
<b>Insurance Service Result</b>	<b>(358,754)</b>	<b>2,887,729</b>	<b>1,960,235</b>	<b>1,669,566</b>	<b>1,821,092</b>
Investment Income & Others	7,257,358	5,048,695	2,433,432	1,432,710	1,617,527
Net finance result	(2,711,851)	426,989	209,819	-	-
Operating Expenses	(742,910)	(5,149,480)	(3,879,910)	(2,739,082)	(2,496,433)
<b>Profit before tax</b>	<b>3,443,843</b>	<b>3,213,933</b>	<b>723,576</b>	<b>363,194</b>	<b>942,186</b>
Tax	(266,067)	(118,571)	(81,276)	(26,178)	(67,165)
<b>Profit after tax</b>	<b>3,177,776</b>	<b>3,095,362</b>	<b>642,300</b>	<b>337,016</b>	<b>875,021</b>
Earnings per share (in kobo)	18	17	2	8	7