

2023

Annual Report
& Accounts

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Seventh (47th) Annual General Meeting (“AGM”) of the members of **VERITAS KAPITAL ASSURANCE PLC** (“the Company”) will be held on the 17th of September 2024 at Veritas Kapital Assurance Plc, Plot 497 Abogo Largema Street, Off Constitutional Avenue, Abuja -FCT by 11:00 am to transact the following:

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Reports of the Directors, Auditors, and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the External Auditors, Messrs Ernst and Young.
3. To elect members of the Statutory Audit Committee.
4. To re-elect the following Directors retiring by rotation and who, being eligible, have offered themselves for re-election:
 - a. Mr. Paul Oki
 - b. Mr. Emmanuel Etuh
 - c. Mr. Aminu Babangida
5. To disclose the remuneration of Managers of the Company.

SPECIAL BUSINESS

6. To approve the remuneration of the Non-Executive Directors of the Company for the year ending December 31, 2024.
7. To appoint Planet Governance Advisory Limited as Board Evaluation Consultant.

Dated this 26th day of August 2024

BY THE ORDER OF THE BOARD



SARATU UMAR GARBA

Company Secretary

FRC/2019/PRO/NBA/004/00000019159

NOTES

1. **PROXY**
A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy in his/her stead. A proxy need not be a member of the Company. A proxy form is attached at the end of the Annual Report. For the appointment to be valid, all valid instruments of proxy should be completed, duly stamped at the Stamp Duties Office, and deposited at the registered office of the Company, or office of the Registrars, Unity Registrars Limited, No 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting, or through the following email address: info@unityregistrarsng.com.
2. **STAMPING OF PROXY FORM**
The Company has made arrangements at its cost for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

3.	AUDIT COMMITTEE In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising of three Shareholders and two Non-Executive Directors. Section 404(6) of the Act also provides that any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one days before the Annual General Meeting. The Financial Reporting Council's Nigerian Code of Corporate Governance provides that all members of the Audit Committee should be financially literate and be able to read and understand financial statements. Consequently, a detailed curriculum vitae confirming the nominee's qualification should be submitted with each nomination. We, therefore, request that nominations be accompanied by a copy of the nominee's curriculum vitae.
4.	RE-ELECTION OF DIRECTORS In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020, the Directors to retire by rotation are Mr. Paul Oki, Mr. Emmanuel Etuh and Mr. Aminu Babangida and who, been eligible have offered themselves for re-election. Their profiles alongside the other Directors are contained in this Annual Report and also available on the Company's website at www.veritaskapital.com.
5.	SHAREHOLDERS' RIGHT TO ASK QUESTIONS Any member attending the meeting reserves the right to ask questions not only at the meeting but also, in writing before the meeting. Any question, observation, or comment should be forwarded to the Company Secretariat, Veritas Kapital Assurance Plc, Plot 497 Abogo Largema Street, Off Constitutional Avenue, CBD, Abuja, not later than 7 days before the time fixed for the meeting.
6.	E-DIVIDEND MANDATE Shareholders who are yet to complete the E-Dividend Form or who need to update their records and relevant bank accounts are urged to complete the E-Dividend Form which can be detached/downloaded from the Annual Report and Accounts as well as from the website of the Company www.veritaskapital.com or that of the Registrar, www.unityregistrarsng.com. The duly completed form should be returned to Unity Registrars Limited, 25 Ogunlana Drive, Surulere, Lagos, or via email info@unityregistrarsng.com.
7.	UNCLAIMED DIVIDEND AND SHARE CERTIFICATES Shareholders are hereby informed that some Dividends have remained unclaimed and returned to the Registrars Unity Registrars Limited, No 25 Ogunlana Drive, Surulere, Lagos, or via email to info@unityregistrarsng.com.
8.	CLOSURE OF REGISTER OF MEMBERS The Register of Members will be closed from 11th September - 15th September 2024 (both days inclusive).
9.	ELECTRONIC ANNUAL REPORT The electronic version of the Annual Report is available at www.veritaskapital.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via e-mail. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via e-mail to info@unityregistrarsng.com.
10.	WEBSITE A copy of this notice and other information relating to the meeting can be found at www.veritaskapital.com
11.	LIVE STREAMING OF THE AGM In addition to the onsite participation, the meeting will be streamed live to enable shareholders, representatives of regulatory bodies, and other stakeholders to follow the proceedings real time. The link for the live streaming of the meeting will be made available on the Company's website at www.veritaskapital.com and will be streamed on all the Company's social media channels.

CORPORATE INFORMATION

Membership of the Board of Directors during the year ended 31 December, 2023

1.	Mr. Nahim Abé Ibraheem	Non-Executive Director	Chairman
2.	Sen. Maj. Gen. M. Magoro (OFR) <i>Galadiman Zuru</i>	Non-Executive Director	
3	Mr. Aminu Babangida	Non-Executive Director	
4	Hajia. Yabawa Lawan Wabi (mni)	Non-Executive Director	
5	Mrs. Priya Heal	Non-Executive Director	
6	Mr. Paul Oki	Independent Non-Executive Director	
7	Mr. Emmanuel Etuh	Non-Executive Director	
8	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
9.	Dr. Adaobi Nwakuche	Managing Director/CEO	
10.	Mr. Sunkanmi Adekeye	Executive Director, Operations	

NOTE:

- Dr. Adaobi Nwakuche was appointed Managing Director/CEO on the 22nd of November, 2023, to replace Mr. Kenneth Egbaran following the expiration of his Contract of Service.

COMPANY SECRETARY Ms. Saratu Umar Garba FRC/2019/PRO/NBA/004/00000019159			
REGISTERED OFFICE Plot 497, Abogo Largema Street Off Constitution Avenue Central Business District Abuja - FCT		FRC REGISTRATION NO FRC/2013/0000000000717 RC NO 11785 www.veritaskapital.com	
RE-INSURERS ■ African Reinsurance Corporation ■ Continental Reinsurance Corporation ■ WAICA Reinsurance Corporation ■ Meridian Risk Solutions Ltd ■ Nigerian Reinsurance Corporation ■ Alwen Hough Johnson (AHJ) Ltd ■ CK Reinsurance Ltd ■ Meridian Risk Solutions Ltd ■ London Score Reinsurance Ltd ■ CICA Reinsurance Ltd		BANKERS ■ Unity Bank Plc ■ Guarantee Trust Bank Plc ■ First Bank of Nigeria Limited ■ Fidelity Bank Plc ■ Keystone Bank Limited ■ Sterling Bank Plc ■ Access Bank Plc	
EXTERNAL AUDITORS Ernst & Young Nigeria (Chartered Accountants) 10th & 13th Floor, UBA House 57 Marina, Lagos, Nigeria			
ACTUARIES O & A Hedge Actuarial Consulting (<i>Consulting Actuaries & Chartered Insurers</i>) FRC/2016/NAS/00000015764 Suite 28, Motorways Centre (Opposite 7UP Bottling Plant) - No. 1 Motorways Avenue, Alausa Ikeja - Lagos, Nigeria	PROPERTY VALUERS Obiora Okafor and Associates No 11 Aliyu Mohammed Road, Life Camp Abuja - FCT	TAX CONSULTANTS Pedabo Professional Services 67Norman Williams Street, Ikoyi, Lagos	REGISTRARS Unity Registrars Limited 25 Ogunlana Drive Surulere Lagos.

BRIEF HISTORY

Veritas Kapital Assurance Plc, formerly known as UnityKapital Assurance was incorporated in 1973 as a Private Limited Liability Company, under the name, Kano State Insurance Company Limited with Registration Number RC 11785. It started business in 1974 at its Head Office in Kano State. The name was changed to Kapital Insurance Company Limited in 1981.

Following the Insurance Regulation of September 2005, which required Insurance Companies to recapitalize to the level of N3billion for Non-Life Companies and N2billion for Life Companies, three Companies that had over the years shared a similar vision and mission, met and decided to merge and consolidate. The Companies were, Kapital Insurance Company Limited, Intercontinental Assurance Company Limited, and Global Commerce & General Assurance Company Limited.

The Company was registered as a general business company; this move was endorsed and approved by the National Insurance Commission (NAICOM) and offers non-life insurance products and services to individuals and institutions across Nigeria under the following categorization: Insurance of Automobile, Property, Casualty, Transportation, Suretyship, Engineering Services and Equipment, Energy and Agriculture Insurance.

UnityKapital Assurance Plc rebranded to Veritas Kapital Assurance Plc and currently prides itself as one of the leading insurance companies in Nigeria.

BRANCH NETWORK



OUR MISSION, VISION AND VALUES



OUR MISSION

To help our stakeholders
have peace of mind



VISION

To be one of the top Insurance
Companies of choice in Africa.



VALUES

Team-Work
Respect and Responsibility
Integrity
Professionalism and Proactiveness
Service Excellence and Shareholder Value



Protect your family with VKA personal accident insurance policy

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RESULT AT A GLANCE (GROUP)

Figures in thousands of naira

	2023	2022	Changes	
Gross Premium	7,563,210	4,670,162	2,893,048	62%
Insurance Revenue	7,103,516	5,048,008	2,055,508	41%
Insurance Service Expense	(5,488,154)	(2,304,943)	(3,183,211)	138%
Insurance service results before reinsurance contracts held	1,615,362	2,743,065	(1,127,703)	- 41%
Net expenses from reinsurance contracts held	(1,833,101)	(1,770,331)	(62,770)	4%
Profit before Taxation	2,982,272	782,672	2,199,600	281%
Taxation	(231,985)	(70,240)	(161,744)	230%
Profit after taxation	2,750,288	712,432	2,037,856	286%

RESULT AT A GLANCE (COMPANY)

Figures in thousands of naira

	2023	2022	Changes	
Gross Premium	7,298,401	4,369,573	2,928,828	67%
Insurance Revenue	7,103,516	5,048,008	2,055,508	41%
Insurance Service Expense	(5,488,154)	(2,304,943)	(3,183,211)	138%
Insurance service results before reinsurance contracts held	1,615,362	2,743,065	(1,127,703)	-41%
Net expenses from reinsurance contracts held	(1,833,101)	(1,770,331)	(62,770)	4%
Profit before Taxation	2,417,104	221,552	2,195,552	991%
Taxation	(87,788)	(27,627)	(60,161)	218%
Profit after taxation	2,329,316	193,925	2,794,328	1441%



CHAIRMAN'S STATEMENT



Mr. Nahim Abé Ibraheem

CHAIRMAN'S STATEMENT AT THE 47th ANNUAL GENERAL MEETING OF VERITAS CAPITAL ASSURANCE PLC

Esteemed Shareholders and members of the Board, ladies and gentlemen; welcome to the 47th Annual General Meeting of Veritas Kapital Assurance Plc. It is with profound humility that I, on behalf of the Board of Directors and Management of your Company, present to you, our Financial Statements and Reports for the year ended 31st December 2023.

As the responsibilities of the office of Chairman dictates, I will also provide an overview of the 2023 global economy, highlights of our operating results for the year, and a summary of our expectations for 2024.

Global Economy in 2023

Dubbed the 'year of resilience' by analysts and economic observers alike, the growth of the global economy in 2023 was indeed nothing short of miraculous, as elevated inflation, unprecedented in decades, and several other aggressive headwinds diminished global economic growth, pushing the economies of countries around the world to pre-pandemic levels.

Year 2023 also dominated various high-level conversations, from political chambers to board rooms and the capital market of worldwide exchanges; discourse around the cost-of-living crisis held sway. To further exacerbate matters, in recent years, countries worldwide have faced waves of challenges, from the Covid-19 pandemic to the invasion of Ukraine, to the unfolding bank liquidity challenges amidst skittish depositors, the world economy has taken a beating but has remained resilient.

While these challenges were harsh enough to reverse economic growth recorded post-covid, they were not successful in plunging the resilient global economy into a recession, as the economy emerged stronger than most analyst projections, at the start of the year.

For instance, countries making up the Eurozone crept closer to an economic downturn by posting a 0.1% GDP contraction by the 3rd quarter of 2023, ended the year with an estimated 0.4% growth, as increased energy costs - primarily driven by the war in Ukraine, affected consumer spending and business activities, especially in the manufacturing sector. Similarly, the Peoples Republic of China achieved a GDP growth rate of 5.2%, surpassing the 5% projection made by the Chinese Government. Furthermore, China also led global Electric Vehicles (EV) sales, reaching a remarkable 9.49 million units, outpacing other countries in the world.

From a financial perspective, the global economy also demonstrated considerable resilience. But for the timely intervention of the US and Swiss financial authorities, the troubles of the world economy would have been more, and its resilience overcome by financial disorder not seen since the Global Financial Crisis of 2007/2008.

Domestic Economy

A keyword that continued to make the rounds in policy, business and consumer circles in 2023 was 'inflation'. As the Nigerian economy struggled to come to terms with headwinds from the global economy, that also filtered into domestic prices, high inflation in 2023 was, according to analysts, largely precipitated by the sweeping market reforms being implemented by the current administration since the transition to a new government in May 2023.

From a domestic standpoint, removal of the fuel subsidy, which caused the price of petrol to rise by 220% year-on-year in November 2023, as well as the depreciation of the Naira by over 50% since the transition to a managed float FX regime, is attributed as the reason for largely 'fanning the flames' which accounted for the rise in price levels, with food inflation mostly affected. By December 2023, headlines had it that food inflation had hit respective highs of 28.9% and 33.9%, with the inflation unprecedented in almost two decades, showing no sign of slowing its momentum.

Despite the limitation in consumer spending, the Nigerian insurance sector continued to showcase its resilience. According to the National Insurance Commission (NAICOM), the industry crossed the N1 Trillion premium forecast, in full-year 2023, compared to N726 Billion recorded in 2022, a growth of 27%. Analysts are of the opinion that the expansion on premium was as a result of the general drive to review premium rates upwards, as well as increased market drive coupled with an aggressive campaign to improve consumer confidence, and trust levels.

Financial Highlights

During the year under review, your Company also remained resilient by recording a 67% growth in Gross Premium to N7.298Bn from N4.369Bn in 2022. Insurance Revenue also grew by 41% to N7.1Bn in 2023 from N5.04Bn in 2022.

Also showcasing resilience, the Company's Profit before Tax (PBT) grew to N2.417Bn in 2023 from N221.5Mn in 2022; a growth of 991%. A 1,101% growth was also recorded in terms of Profit after Tax (PAT) from N193.9Mn in the prior year to N2.329Bn in 2023.

Total assets grew organically from N13.718Bn to N20.653Bn in 2023, as shareholders equity also expanded from N9.429Bn in 2022 to N13.172Bn in 2023.

Expectations for 2024

Ladies and gentlemen, the Board and management remain committed to providing returns to shareholders in the short to medium term. We also remain resolute in our goals to promote and increase perception and awareness of the corporate brand of the company, that is pitched towards greater market/business penetration.

In November 2023, Dr. Adaobi Nwakuche was engaged as Managing Director/CEO of the company following the expiration of the contract of the erstwhile Managing Director. She joins Veritas Kapital Assurance Plc as a seasoned insurance professional with experience spanning over two decades in the insurance industry. We await the approval of her appointment by the Regulator.

Also, in our ambitious and tenacious drive to achieve business growth, initiatives such as organizational restructuring, improved Staff welfare and the upgrade of IT infrastructure among others have been implemented, and the Board and management are certain of a more formidable trajectory following these steps.

Furthermore, our strategy to strike a balance between exposure of capital and total risk aversion in making business decisions remains germane, as we are well-positioned to take full advantage of identified prospects, leveraging on key fundamentals, while maintaining excellence and affordable cover for our customers and the insuring public.

In another development, our esteemed Director, Sen. Maj. Gen. M. Magoro retired from the Board of the Company after 9(nine)years of meritorious service to our Company. Indeed, he served the Company with unparalleled dedication and distinction. Throughout his tenure, his contributions have been invaluable, bringing a wealth of experience, strategic insight, and exemplary commitment to upholding the highest ethical standards. We assure members that the transition process is ongoing in accordance with regulatory requirements, ensuring continuity and stability whilst the selection process for his successor is underway.

Appreciation

Distinguished shareholders, ladies and gentlemen, be rest assured that your Company has been re-positioned for greater financial performance in the years ahead. We deeply appreciate your continuous understanding and collaboration with the Board and management in their rigorous and deliberate efforts to continually improve the fortunes of our Company.

In conclusion, I must acknowledge our valued clients, agents, and brokers for their continued unwavering trust and patronage. To our esteemed shareholders, I thank you for your steadfast confidence in the Board and management of Veritas Kapital Assurance Plc.

On their behalf, I assure you of our commitment, as we solicit your continued support.

Thank you.



Nahim Abé Ibraheem
Chairman, Board of Directors

MEET THE BOARD OF DIRECTORS**MR. NAHIM ABÉ IBRAHEEM - Chairman**

Mr. Nahim Abe' Ibraheem holds a B.A History from the University of Lagos obtained in the year 1989. He joined Orbit Communications as a manager in 1990, after which in 1995 he established Soveran Nigeria Limited a specialty procurement and petroleum product distribution company based in Lagos, a company he currently chairs. He is also the Chief Executive of Euronat Nigeria Limited a major indigenous oil product exporting company with principal products such as crude oil, condensate, and fuel oil through the Nigerian National Petroleum Corporation and Nigeria LNG. He has

over 25 years of cognitive experience in various fields of business ranging from finance, upstream and downstream oil trade sector, as well as procurement and manufacturing.

He has represented V.Ships Monaco S.A the largest ship management company in the world in Nigeria and was part of the team that provided ship management and manpower services to Shell Bonga, Caverton Marine, and Nigeria LNG. He was the country adviser for Africa Merchant Bank (A Banque Belgoise S.A/Fortis Bank Group Subsidiary) from 2000-2006 who were the financial advisers and co- financial arrangers for the funding of Obajana Cement Project for the Dangote Group of Nigeria.

He has also been a mandated adviser for Société Générale Bank France in Nigeria, he currently sits on the boards of Morris Nigeria Limited and Super-phosphate Fertilizers & Chemicals Limited, Veritas Glanvills Pensions Limited and Lighthouse Capital Limited.

He's attended many training courses and programs both in Nigeria and abroad while he also sits on various board committees in the aforementioned organizations. He's a Member of the Institute Of Directors (Nigeria), Petroleum Equipment Suppliers of America (PESA) as well as the Lagos Polo Club amongst a host of others.

**MR. AMINU BABANGIDA - Non-Executive Director**

Aminu is the Co-founder and Chief Executive Officer of Phoenix Energy; an energy distribution company that pioneered diesel home delivery services in the North. He is a member of both the Institute of Directors (IoD) and the Bank Directors Association of Nigeria (BDAN).

Aminu served as Chairman at Unity Bank Plc, and has also served in various capacities on a number of committees at the bank such as Chairman, Board Credit Committee; Chairman, Board Governance and Nominations Committee; Member, Board Audit Committee; Member, Board Finance and General Purpose Committee to name a few. He holds an MA from the Westminster Business School, London, and a BA from Regents Business School, London. He also attended the College Du Lemman and the Gstaad International School both in Switzerland, and the College of

Petroleum and Energy Studies, Oxford, UK.

Aminu has attended many local and international training and workshops such as a Directors Training on Anti-Money Laundering & Combating of Financing of Terrorism - AML/CFT, facilitated by the CBN, an International Program on effective Enterprise Risk Management Oversight held in London, a workshop on capacity building programme on the Nigerian Sustainable banking principles facilitated by UNEP-FI to name a few.



HAJIA YABAWA LAWAN WABI *mni* - Non-Executive Director

Hajia Yabawa Lawan Wabi is an accomplished and versatile individual with deep knowledge and experience in the Nigerian Public Sector. She has held various senior positions in different Nigerian Ministries and Parastatals and has served with distinction as Minister of Finance from 2010 - 2011.

She has demonstrated her sterling leadership attributes while serving as Permanent Secretary at the Ministry of Local Government & Chieftaincy Affairs Borno State, (2009 - 2010); Permanent Secretary, Ministry of Health, Borno State, (2007 - 2008); The Accountant General of Borno State (2003 - 2007), Director of Finance and Accounts at the Ministry of Works & Housing, Borno State, (2002 - 2003) just to name a few.

She is a Member of the Infrastructure Concession Regulatory Commission, and a Non- Executive Director at Unity Bank Plc. She is also a Member of the Institute of Certified Public Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria, the Institute of Directors, and a Fellow of the Association of National Accountants of Nigeria.

Hajia Yabawa Lawan Wabi is a graduate of the Ahmadu Bello University, Zaria.



DR. OLUWAFUNSHO OBASANJO - Non-Executive Director

Funsho is a member of the Institute of Director (IoD); the Chartered Institute of Banking; the Royal Society of Chemistry, and the American Chemical Society.

Dr. Funsho was awarded a Ph.D in Bio-organic Chemistry from the School of Chemistry, University of East Anglia in 2012, and an MSc in Medicinal Chemistry from University College, London (2007). She also attended St. Edmunds College, Ware, Hertfordshire, UK. She possesses astute research, supervisory and technical experience in Bioinformatics, Chemistry, Analytical Technique and Molecular Biology/Biochemistry.

Dr. Funsho has attended a wide spectrum of regional and international trainings and workshops such as a Credit Approval Procedure organized by the Jafa Group in Ghana, a Business Strategy Retreat organized by Nextzon Business Services, an International Program on Effective Enterprise Risk Management Oversight organized by EuroMoney in London, UK, and many others.

**SEN. MAJ. GEN. M. MAGORO OFR - Non-Executive Director**

A 1982 Graduate of the prestigious United States Army War College; Senator Major-General Mohammed Magoro (rtd) OFR was one time Senator representing Kebbi-South Senatorial District in the Federal Republic of Nigeria.

He has served with distinction as Federal Commissioner for Transport (1976-1978), Minister of Internal Affairs (1984-1985), and Chairman of National Maritime Authority (1987-1991), and was a member of several Senate Committees, amongst which he served as

Chairman, Senate Committee on National Security and Intelligence.

The Distinguished Senator is extensively traveled and has held various Military Commands and appointments; Commandant, Nigerian Army School of Infantry (1982-1983), and Commander Brigade of Guards (1979-1981) and has been honoured with numerous National Awards and Medals such as Officer of the Order of the Federal Republic (OFR), Royalty, Courage and Discipline Medal, and the National Service Medal to name a few.

Senator Major-General Mohammed Magoro (rtd) has written many papers; one of which is the Title: Command and Contemporary Strategies - Mao-Tse-Tung is still being referred to at the United States Army War College. He is happily married with children.

**MRS. PRIYA HEAL - Non-Executive Director**

Priya is a target-oriented individual whose range of experience over the years has seen her covering various sectors in the business/financial world, establishing a presence in Europe, The Middle East, and Africa.

She is co-founder and Managing Director of CHRONOS Asset Management, an Op-Co with expertise in advising, structuring, financing, managing, and executing large-scale projects. The Company has been tasked with a mandate to manage 5,000

properties within Germany.

Priya has served as Managing Director at FILTERINVEST, Holland; as Restructuring Consultant, Competition Authority (OFT), London, UK; she was a Member of the legal team at GEC Marconi, Surrey, UK; and has also established a local representative office for a Pipeline Integration Company in Johannesburg, South Africa. With a primarily legal educational background and a skill set squarely in execution, Priya attended Yale University, USA; Call To Bar, Lincolns Inn, UK; Inns of Court School of Law, UK; Kings College, UK, LLB Law with German; and The University of Passau, Germany.

She is a goal-oriented achiever whose work goes beyond geographical boundaries. She has worked remarkably in multicultural environments like Dubai, Germany, London, South Africa, and Holland. Ms. Priya Heal is a member of the World Economic Forum.

**MR. PAUL OKI - Independent Non-Executive Director**

Paul T. Oki combines over twenty-three (23) years of hands-on experience and expertise from strategic business partnerships, company law, compliance, and public policy; acquired from providing advisory services to various Nigerian, U.S., and European clients on significant cross-border transactions and business partnerships in Company Law, Telecommunications, Aviation, Energy and other areas of Commercial Law.

He is a seasoned local and international bureaucrat, who remains a valued consultant to international risk management establishments providing due diligence and compliance advice on Nigerian businesses.

Earning his LLB from the prominent University of Benin in 1997 and being called to the Nigerian Bar in 1998, Paul is also a member of the Nigerian Bar Association (NBA), the Nigerian Corporate Counsel Forum (CCF), a pioneer member of the Governing Council of the Section on Business Law (SBL) a member of the International Bar Association, (IBA) and the Commonwealth Lawyers Association (CLA).

He is also the former Legal Adviser of the Nigerian Gas Association (NGA) and a former Director and Company Secretary of the Nigerian Airspace Management Agency (NAMA). Mr. Oki has distinguished himself in various high-level advisory roles for the Federal and State government(s) of Nigeria; serving diligently as a member on several ministerial committees.

**MR. EMMANUEL ETUH - Non-Executive Director**

Emmanuel is a financial adviser at TMD Capital Partners, where he specializes in building and managing client portfolios and maximizing local investment opportunities, asset structures, and tax-efficient vehicles. He has private equity experience across a variety of sectors, including information technology, consumer services, retail, media, real estate, and healthcare.

He earlier worked at Banwo & Ighodalo, where he advised on corporate and commercial law, partnerships, foreign investment, and joint venture transactions across finance, international trade, and technology. He also provided support to local and international entities on corporate governance, company secretarial, and regulatory compliance matters. Having worked at the International Bar Association (IBA) London, he developed expertise in international law and policy analytic research. He advised on notable advisory projects concerning countries, such as Ghana, Sudan, Mali, and Turkey relating to constitutional reform, insecurity, immigration control, and climate change.

He serves as a trustee of the Jennifer Etuh Foundation; a non-profit, developmental organization focused on providing free education and healthcare to women and children in low-income communities across Nigeria. Emmanuel earned his LLB from SOAS University of London and earned an LLM from Durham University. He is a member of the Nigerian Bar Association and a Fellow of the Chartered Institute of Arbitration (FCIArB).

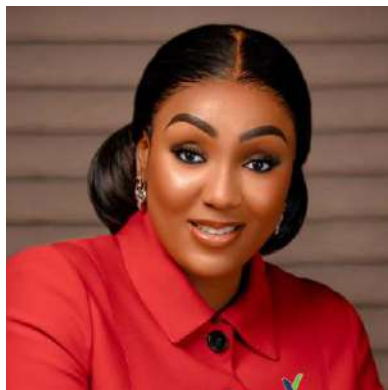
**MR. SUNKANMI ADEKEYE - Executive Director, Operations**

Sunkanmi Adekeye (SA as he is popularly called), is responsible for and oversees all operational aspects of the company necessary for business success and growth. In addition, he helps set strategic goals and is responsible for the flow of operations information to the chief executive and the board, while developing and executing new growth initiatives.

A seasoned professional with over Twenty-Seven (27) years of insurance knowledge and expertise; with twelve (12) of those serving at an executive capacity; Sunkanmi combines expertise in key partnership distribution; mergers and acquisitions; project management; strategic planning; and sales and marketing; acquired across leading national organizations.

Preceding his appointment as Executive Director (Operations) at Veritas Kapital Assurance Plc, his insurance work experience cuts across reputable Insurance broking firms and Underwriters such as SCIB Nigeria Insurance Brokers, Cornerstone Insurance Plc and Custodian & Allied Insurance Plc. He was the Managing Director of Allianz Nigeria Insurance Plc up until November 2020.

A first-degree graduate of Economics from Lagos State University and Risk Management & Insurance from the University of Lagos at the Masters level; SA became an Associate Member of the Chartered Insurance Institute of Nigeria (ACII) in 1997, and a Fellow (FCII) of the same Institute in 2012. He is also an Associate member of the Certified Pension Institute of Nigeria and has continued to contribute immensely to People Development within and outside of the Insurance Industry.

**DR. ADAOBI NWAKUCHE - NEW MANAGING DIRECTOR / CEO**

Adaobi Nwakuche is a seasoned insurance professional, who brings to the fore, over Twenty-Five (25) years of distinguished and hands-on service encompassing; but not limited to, Execution and management of strategic partnerships and alliances; Deal structuring and contract negotiations; Channel development and marketing; and Team development and leadership. All acquired across several leading national organizations.

Prior to joining Veritas Kapital Assurance Plc; Adaobi was the immediate past, and pioneer Managing Director/CEO of Heirs Insurance Limited, wherein she orchestrated the strategic direction of the Company. Her over two-decade career includes experience garnered as Executive Director at Heirs Holdings Group; Director (Commercial division), at Equity Assurances, as well as other high-level positions at STACO and Standard Alliance Insurance Company Limited.

A seasoned business executive with an enviable track record of achieving exceptional results, Adaobi earned her first-degree in Government and Public Administration from the Abia State University. She furthered her education by earning an MBA in Business Administration from ESUT Business School.

She has a Doctorate in Insurance, Risk, Mgt and Corporate Governance from the prestigious European American University. She is also a Member of the Chartered Insurance Institute of Nigeria (CIIN), and the Chartered Insurance Institute, UK(CII).

Adaobi is an Alumnus of Harvard Kennedy School and Lagos Business School. She has attended various national and international executive level training programs, and seminars.

MANAGEMENT DISCUSSION AND ANALYSIS

From the Desk of the Managing Director/CEO

The Insurance Industry

The opening half of 2023 was characterized by a blend of electoral tensions, policy pronouncements by the government, and their potentially substantial impact on the private sector and other productive sectors of the Nigerian economy. Additionally, January and February 2023 witnessed deep disruptions in fiscal activities, caused by the Naira redesign policy and cash withdrawal limitations implemented by the Central Bank of Nigeria's (CBN). These policies - albeit unintentionally; created a liquidity crisis that severely impacted on economic and productive activities, leading to contractions of many sectors as well as stifling the Nation's budding informal economy.

As a sub-set of the national financial system, the Nigerian insurance sector was not immune to the economic and socio-political challenges affecting the Country. Nevertheless, the sector remained buoyant. According to industry watchers, in 2023 the industry held its own in the Nigerian economic space as the restorer of businesses, and a dependable safeguard for national assets, by collecting N1.003Trn in GPW compared to N726 Billion recorded in 2022.

From a size perspective, the industry regulator (NAICOM) reported that the total size of the Nigerian insurance industry reached the N2.8Trn during the period, with non-life insurances accounting for N1.74Trn in total assets, while life insurance comprised N1.07Trn. NAICOM also reported a 1.5% change in capital on a quarter-on-quarter basis, and a 19.9% change in the first nine (9) months under review between 2022 and 2023. All and all, the Nigerian insurance industry remains confident on its path to sustainable growth.

Business Overview

Your company was not left out from the notable premium growth recorded by the industry as a whole. During the year under review, your Company also remained resilient by recording a 67% growth in Gross Premium to N7.298Bn from N4.369Bn in 2022. Insurance Revenue also grew by 41% to N7.1Bn in 2023 from N5.04Bn in 2022.

Also showcasing resilience, the Company's Profit before Tax (PBT) grew to N2.417Bn in 2023 from N221.5Mn in 2022; a growth of 991%. A 1,101% growth was also recorded in terms of Profit after Tax (PAT) from N193.9Mn in the prior year to N2.329Bn in 2023.

Total assets grew organically by ~51% from N13.718Bn to N20.653Bn in 2023, as Shareholders equity also expanded by ~40% from N9.429Bn in 2022 to N13.172Bn in 2023.

Outlook

To our esteemed shareholders, in 2023 - for the first time in the over two (2) decade history of your Company; we surpassed the N7Bn GPW mark. It is our assurance that this achievement ushers in the beginning of a renewed business trajectory, that will likewise leapfrog into greater profitability, business sustainability and dividend declaration in the short to medium term(s).

We remain continually grateful to you, our shareholders and other business partners, for your commitment and support of the company.



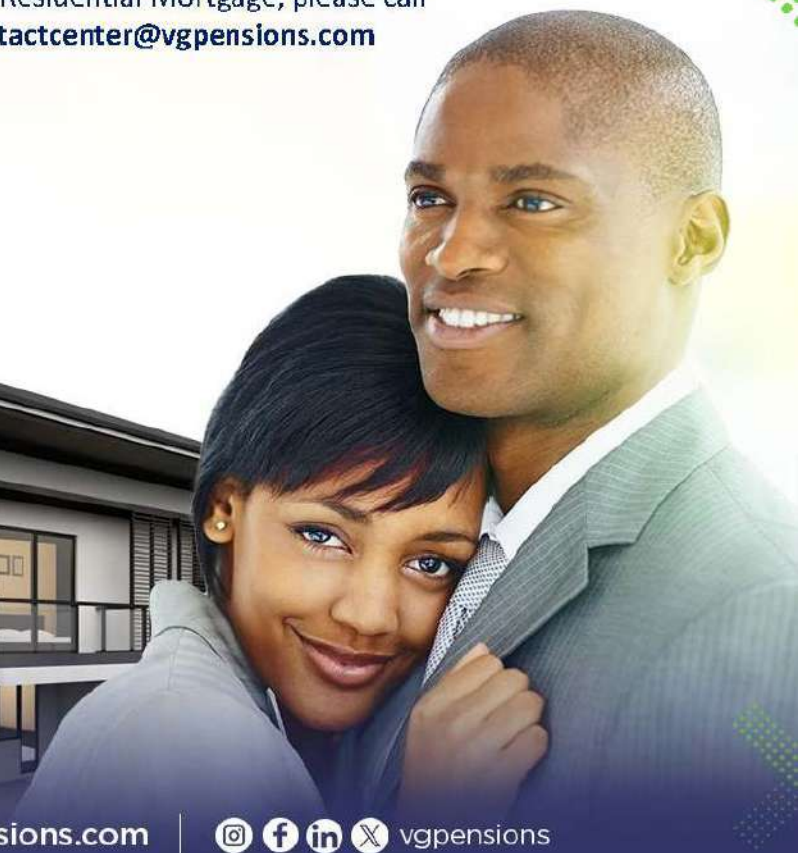
Dr Adaobi Nwakuche
MANAGING DIRECTOR/CEO



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A graphic consisting of two overlapping circular arcs. The outer arc is a gradient of gold and yellow, while the inner arc is a solid dark blue. The text "ENTERPRISE RISK MANAGEMENT FRAMEWORK" is centered within the space between these two arcs.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Veritas Kapital Assurance Plc has a strong and functional enterprise risk management framework tailored along the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Priority is placed on proper risk management of the business activities of the company. The framework upholds a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework establishes the context, identifies, analyses, evaluates, treats, monitors, communicates, and reviews the key risks it assumes in carrying on its business. These risks include legal, compliance, underwriting, reinsurance, claims, operational, market, credit, liquidity, business, reserve, reputational and pandemic risks. Enterprise risk management includes management's approach to gross risks in the business and its appetite for these risk exposures. Under this approach, the Company constantly assesses its key risks and monitors the risk profile against the acceptable limits. The main strategies for managing and mitigating risks include policies, procedures, and tools that target specific and broad risk categories.

Enterprise Risk Management Principles

The Company's risk management principles optimize value creation and returns on investments. They assist the company in achieving its vision and delivery of business objectives. As part of the risk strategy to manage all the foreseeable key risk exposures, our guiding principles are;

- a) Uphold the Company's integrity and value system;
- b) Support compliance with regulatory requirements;
- c) Aid the understanding of the potential upside and downside of key risks;
- d) Increase the probability of success and reduce the uncertainty of achieving the organization's overall objectives;
- e) Add sustainable value to all the activities of the organization;
- f) Assure business growth with financial stability
- g) Support the culture that "managing risk is everybody's responsibilities"

Our risk management context is incorporated in our mission statement of becoming one of the top insurance companies of choice in Africa through wealth protection by a team of risk and investment managers that provide our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian insurance market space.

The Risk Culture

- a) The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.
- b) The Board and Senior Management consciously promote a proactive approach to risk management, ensure that the sustainability and reputation of the Company are not adversely impacted while expanding its market share.
- c) The Company's management creates awareness of risk and risk management across the board.
- d) The Company continually subjects its products, distribution channels, locations, and customers to effective risk assessment and it will not engage in any business until it has objectively assessed and determined how to manage the associated risks.
- e) The Company pays adequate attention to both quantifiable and unquantifiable risks.

Risk Management Framework

Our risk management framework was structured and embedded in our culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Unit Staff) assigned for adequate management of our business risks.

We operate and maintain three levels of risk governance structure for the oversight and management of risks. These are:

1st line of defense (Risk Ownership):

The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business, ensuring that appropriate controls are established and maintained. It also comprises senior management, front-line management, and staff (process or the risk owners) who execute the controls to enhance the likelihood that the organization's objectives will be achieved.

2nd line of defense: Risk Control:

This comprises the risk management department of the Company.

The department is responsible for designing the risk framework methodologies and tools which support the evaluation and managing of the risks inherent within the business while ensuring that they are appropriately included in the Risk Profile. The Chief Risk Officer ensures an understanding of risk management process throughout the organization by embedding, improving continuously a risk awareness culture, working with process owners to review and update the risk and control register.

The Chief Risk Officer (CRO) is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Chief Risk officer includes consulting and advising the Board, Management and staff on identification, control and mitigation of risks.

3rd line of defence: Risk Assurance:

It encompasses the internal audit which provides independent, objective assurance that the first- and second-lines' efforts are consistent with expectations as well as the effectiveness, adequacy of risk management, control and governance processes.

Risk Appetite

The company drives its business initiatives cautiously to mitigate loss of value or exposures to inherent risks. To improve the value of shareholders' wealth and remain profitable, the company designed its appetite considering risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The company's risk appetite objectives include:

- a) Consistently striving to minimize the overall cost of risk exposure and its management through effective risk mitigation practices.
- b) Optimization of capital employed through enhanced returns on equity.
- c) Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is equal to the marginal cost of the risk.
- d) Zero appetite for internal fraud activities.

Risk Management Policies and Procedures

The Enterprise Risk Management policies and procedures which have been strategically instituted aim at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, calculated risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing limitations to a successful implementation of risk controls.

Risk Classification

The Company can be exposed to many types of risks while carrying on its business. Some of these include:

a. Market Risk/Investment Risk:

This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stocks/ shares, property, exchange rates, and other relevant market conditions. The Company has established investment limits in its operational guidelines and policy of asset diversification in line with NAICOM regulations to prevent over-concentration and overexposure to any particular market.

Management of crystallized Market Risk/Investment Risk: The Head of the (Finance and Investment) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

b. Credit Risk

This is the risk that the counterparty will default on payment or fail to perform any obligation to the Company. The Company has a system for conducting due diligence on the creditworthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming credit notes by Insurance Brokers following "No Premium No Cover" by NAICOM. Our placements in banks are also determined by the rating (strength) of the bank and consider NAICOM guidelines on the limit of exposure to a single bank.

Management of crystallized Credit Risk: The Head of the (Finance and Investment) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

c. Operational Risk

This is the risk of loss from inadequate or failed internal processes, people, and systems or from external events that arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen disasters will result in unexpected losses. The company has policies that cover the risks that may arise from people, systems, and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration, and welfare benefits, designing standard operating procedures and policies, driving compliance culture, process automation, Information Technology (IT) support systems, data integrity, IT systems access controls, cloud storage of data, etc.

Management of crystallized Operational Risk: The Head of the department where the operational risk (which could arise from a system, process, or people) materialized has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

d. Liquidity Risk

Liquidity risk exists when there is insufficient cash flow to meet the Company's operational and financial obligations and is usually associated with the inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Committee. Monthly reports and reviews of liquidity gaps are conducted to assess the level of liquidity risk.

Management of crystallized Liquidity Risk: The Head of the (Finance and Investment) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action, and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

e. Reinsurance Risk

This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is the insolvency of a reinsurer, the discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Management of crystallized Reinsurance Risk: The Team Lead of reinsurance has the responsibility of reporting materialized risk to the Head of the (Reinsurance) department who will further liaise with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

f. Underwriting Risk

Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallizes when there are severe and frequent claims against the Company's projected capacity. The company has embedded internal control processes to guide its insurance business against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policy and procedures which are enforced throughout the organization.

Management of crystallized Underwriting Risk: The Head of the (Technical) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

g. Reputational Risk

This is the risk of events that could cause public distrust and damage to the company's integrity, brand and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standards of behaviour which the staff are expected to follow while conducting the day-to-day business of the company. The company's risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee quarterly.

Management of crystallised Reputational Risk: The Head of the department where the risk materialized has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

h. Business Risk

The company's business risk is associated with losing market shares and becoming unprofitable. This risk is considered through a documented process for product development and launch, business segment profitability analysis, stakeholder engagement as well as being rooted in our brand.

Management of crystallized Business Risk: The Head of the (Business Development) department has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action, and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

i. Legal/Compliance Risk Management

The company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential infractions to the regulations and are promptly mitigated. Some of the control processes include:

- Know-your-customer (KYC) procedure
- Anti-money laundering/combating the financing of terrorism (AML/CFT)
- Anti-bribery and corruption measures
- Guidelines for adherence to Corporate Governance principles
- Gift policies
- Whistleblowing policies
- Data Protection Policy

Management of crystallized Legal/Compliance Risk: The Head of the Legal department and Compliance unit has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

j. Claims Risk Management

This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfill their contractual obligation to policyholders. It can be triggered by the delay in settlement of Claims, incomplete documentation, delay in loss adjuster's reports, repudiation of claims, etc. We manage claims settlement risk using a full documentation claim management Policy, well-structured, well-trained, and dedicated staff in the Unit, competent and trustworthy claim examiners/loss adjusters, by settlement of claims within 48 hours after execution of discharge voucher and Executive Management's approval before repudiating a claim.

Management of crystallized Claims Risk

The Team Lead, Reinsurance has the responsibility of reporting materialized risk to the Head of the (Reinsurance) department who will further liaise with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

k. Political and Social Unrest risks: a situation in which people protest through demonstrating violent behavior such as looting, arson, physical attacks against laws or institutions, civil disorders, and disobedience.

The risks can be managed by:

- Ensuring compliance by staff and customers with Nigerian government security updates and law enforcement authorities.
- Application of work-from-home policy.
- Rotation of staff on duty subject to security updates.

Management of crystallized Political and Social Unrest Risks: The Head of the department where the risk is affected has the responsibility of liaising with all relevant departments/stakeholders to report the exact type of risk, the magnitude of loss, the cause of loss, remedial action and preventive controls to Management for necessary recovery actions. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

l. Pandemic Risk: This emanates from the outbreak of Coronavirus disease, Ebola Virus disease, etc which can disrupt or adversely affect the operations of the company. Some of the control measures are:

- Ensuring compliance by staff and customers with the Nigeria Centre for Disease Control (NCDC) Protocol during access into our business premises to stay safe and stem infections.
- Rotation of staff on duty to ensure social distancing.
- Application of work-from-home policy by staff that can operate online per the departmental roster.
- Staff vaccination as may be required by the Ministry of Health.

Management of crystallized Pandemic Risk: The Head of the department where the pandemic risk occurred has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and future preventive controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

m. Anti - Money Laundering /Combating the Financing of Terrorism/ Combating Proliferation Financing (AML/CFT/CPF) Risk:

It arises from being involved in the process of concealing sources of money obtained by corruption, drugs, illegally, or the proceeds of a crime; the products being utilized as a channel for terrorism or proliferation financing. Some of the control measures are:

- Use of Insurance Proposal Form to capture customer's data.
- Checking customers against internal information and the internet on known money launderers.
- Checking customers against external information from UN sanction lists on known or suspected money launderers and terrorists.
- Establishment of the source of wealth and source of funds.
- Checking customers against internal databases and the internet on Politically Exposed Persons (PEPs).
- KYC documentation including valid means of identification.

- First payment by non-face-to-face customers to be carried out through an account in the customer's name with a bank subject to similar CDD standards while the return premium should be in favor of the insured/policyholder and reported to NAICOM.
- Third-party introduction, e.g. by an intermediary such as a broker.
- Verification of whether the information and references provided by the employee are correct and complete to avoid internal collaboration.
- Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) to Nigeria Financial Intelligence Unit (NFIU).
- Independent contact with the customer by the insurer as part of due diligence.
- Ongoing monitoring of the business relationship trend.
- Risk assessment of any new product or new business practice and implementation of adequate measures to mitigate Money Laundering, Financing of Terrorism, and Proliferation Financing.

Management of crystallized AML/CFT/CPF risk: The Chief Compliance Officer has the responsibility of liaising with all relevant departments/ stakeholders to report the exact type of risk, the magnitude of the loss, the cause of loss, remedial action to Management for necessary recovery actions and preventive future controls. Depending on the magnitude of the impact, management can escalate it to the Board before or after recovery actions.

Risk Report

Risk assessments are collated and presented in a report called the Risk Report. The risk report draws senior management's attention to the key risks as well as the adequacy of existing controls to mitigate the risks. The risk report provides a summary of the ratings of the significant risks and the probability of occurrence within a specific period. This helps to estimate and prevent potential operational and financial losses.

Risk Control Self-assessment (RCSA)

The company has a structure for risk assessment periodically and this is known as Risk Control Self-Assessment (RCSA). It involves the identification of procedures or assessments that need to be performed periodically to ensure that key controls are in place and are working effectively as designed. The controls are proactively assessed through risk analysis of our processes and review of policy requirements, loss events, and audit findings. Consequently, the company updates the controls required to accomplish policy requirements, and tests the processes and controls for the adequacy of capability in risk mitigation. Risk Champions are engaged in each business or risk unit to facilitate the process of risk control self-assessment in the company.

Health Safety and Environment (HSE) Management

The Health Safety and Environment Management has been instituted to provide and maintain safe healthy working conditions, work equipment, and systems for all staff. This responsibility also extends to visitors, contractors, and others who may potentially be affected by our activities. The Health and Safety Policy framework strengthens the policy statements, roles, and responsibilities of the HSE officer.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies including working from home and remote locations. The company's data have been duplicated in cloud storage. We aim to improve on gaps identified during any testing period.

RISK MANAGEMENT DECLARATION

The Board, Enterprise Risk Management Committee of Veritas Kapital Assurance Plc hereby declares As follows:

- a) The Company has systems in place to ensure compliance with NAICOM guidelines;
- b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company;
- c) The Company has in place a Risk Management Strategy, developed following the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and
- d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix, and complexity of the company's operations.



Mr. Nahim Abe Ibraheem
CHAIRMAN
FRC/2020/003/00000020878



Dr. Adaobi Nwakuche
MANAGING DIRECTOR/CEO
FRC/2021/003/00000023865

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE TO THE MEMBERS OF VERITAS CAPITAL ASSURANCE PLC FOR THE YEAR ENDED 31ST DECEMBER, 2023. TO MEMBERS OF VERITAS CAPITAL ASSURANCE PLC

By the provision of Section 404 (7) of the Companies and Allied Matters Act, 2020, we confirm that we have seen the Audit Plan and Scope and the Management Letter on the audit of the books of the Group and Company and the response.

In our opinion, the plan and scope of the audit for the year ended 31 December 2023 were adequate.

We have reviewed the auditor's findings and we are satisfied with the management response thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements and ethical practices.



Mr. Paul Oki
CHAIRMAN, AUDIT AND COMPLIANCE COMMITTEE
FRC/2023/PRO/NBA/010/719585

Members of the Audit and Compliance Committee are:

Mr. Paul Oki	Independent Non-Executive Director Chairman
Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director
Mal. Muhammed B. Alhassan	Shareholders' Representative
Alh. Usman Abaji	Shareholders' Representative
Mr. Olusegun J. Akintunde	Shareholders' Representative



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DIRECTOR'S REPORT

The Directors have the pleasure of presenting the report on the affairs of Veritas Kapital Assurance Plc together with the audited consolidated and separate financial statements and auditors' report for the year ended 31 December 2023.

1. Legal Form

The Company was incorporated in Nigeria under the Companies and Allied Matters Act, 2020 as a private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005, it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name of the Company was changed to Unity Kapital Assurance Plc and subsequently Veritas Kapital Assurance Plc. The Company became quoted on the Nigerian Exchange Limited (NGX) on 17th December 2009.

Veritas Kapital Assurance Plc, as of the reporting date, has two subsidiaries namely Veritas Glanvills Pensions Limited(70%) and Veritas Health Care Limited (94%) in addition to a 51.53% stake in Goldlink Insurance Plc.

2. Principal Activities and Business Review

The principal activity of the company is to transact general (non-life) insurance business.

3. Directors and their Interest

The direct and indirect interests of the Directors 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 303 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited as at 31 December 2023, are as follows:

Names	Direct Shareholding	Indirect Shareholding	%	Interest Represented
Sen. Maj. Gen Mohammed Magoro (Rtd)	105,952,347		0.76	
Mr. Nahim Abé Ibraheem		7,321,989,662	52.80	Veritas Capital Limited
Mr. Emmanuel Etuh		196,600,567	1.41%	Lighthouse Capital Limited

4. Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its Regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company discloses the remuneration paid to its directors as follows:

Type of package fixed	Description	Timing
Basic Salary	- Part of the gross salary package for Executive Directors only. - It reflects the industry's competitive salary package and the extent to which the company's objectives have been met for the financial year.	Paid monthly during the financial year.
13th-month salary	- Part of the gross salary package for Executive Directors only. - It reflects the industry's competitive salary package and the extent to which the company's objectives have been met for the financial year.	Paid last month of the financial year.

Director fees	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.
Sitting allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.
Reimbursable travel and hotel expenses.	This is paid to Non-Executive Directors residing outside the venue for Board/Committee meetings.	Paid after each meeting.

5. Changes on the Board

In the course of the reporting year, the following changes were made on the Board:

Dr. Adaobi Nwaku	Managing Director/CEO	Appointed - 22 nd of November, 2023
Mr. Sunkanmi Adekeye	Executive Director, Operations	Appointed - 26 th of January, 2023
Mr. Kenneth Egbaran	Managing Director/CEO	Resigned - 7 th of October, 2023

6. Directors

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

- Mr. Nahim Abé Ibraheem - Non-Executive Director /Chairman
- Dr. Adaobi Nwaku - Managing Director /CEO
- Sen. Maj. Gen. M. Magoro (OFR) - Non-Executive Director
- Mr. Aminu Babangida - Non-Executive Director
- Hajia. Yabawa Lawan Wabi (mni) - Non-Executive Director
- Mrs. Priya Heal - Non-Executive Director
- Mr. Paul Oki - Independent Non-Executive Director
- Mr. Emmanuel Etuh - Non-Executive Director
- Dr. Oluwafunsho A. Obasanjo - Non-Executive Director
- Mr. Sunkanmi Adekeye - Executive Director, Operations
- Mr. Kenneth Egbaran - Resigned

7. Directors' Interest in Contracts

In compliance with Section 303 of the Companies and Allied Matters Act, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

8. Acquisition of Own Shares

The Company did not acquire any of its shares during the year ended 31 December, 2023.

9. Property, Plant and Equipment

Information relating to changes in property and equipment during the year is given in Note 1.8 to the financial statements.

10. Security Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Share, Rulebook of the Exchange, 2015 (Issuers' Rule), the Company maintains an effective Security Trading Policy that guides Directors, members of the Audit and Compliance Committee, employees, and all individuals categorized as insiders as to their dealings in the Company shares.

The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's shares both when they have material non-public information about the Company's activities and during their closed period.

The Company has made specific inquiries of all Directors whether they have complied with the required standards set out in the listing rules and the Company's Code of Conduct regarding securities transactions by Directors and it is not aware of any non-compliance as of the period ended, 31st December, 2023.

11. Corporate Social Responsibility

Veritas Kapital Assurance Plc as a responsible insurer and investor remains committed to positively impacting society through various initiatives and charitable donations while maximizing the creation of shared value for shareholders and stakeholders.

To achieve this, while identifying with the aspirations of our host communities and the environment within which we operate, the company carried out various activities in line with our CSR policy. These activities were on health, humanitarian, and public safety.

The Corporate Social Responsibility Activities in the Year 2023 were as follows:

- a. **Inspiring Excellence in Higher Education (Insurance Competition for Higher Institutions):**
In our ongoing efforts to promote financial literacy and awareness among young adults, our Company proudly conducted a dynamic insurance competition for higher institutions, igniting a passion for financial literacy and risk management among students. The competition aimed to foster a deeper understanding of the importance of insurance among students and to encourage innovative thinking in the field of risk management and insurance. This prestigious event culminated in the presentation of substantial cash awards to the top three winners, celebrating their exceptional knowledge and innovative ideas in the field of insurance.
- b. **Commitment to Community Safety (Participation in Traffic Control in Abuja):**
Demonstrating our dedication to public service, our Company actively participated in traffic control initiatives across key areas in Abuja. This initiative was designed to improve traffic flow and enhance safety for both motorists and pedestrians in the busy areas of Abuja, especially during rush hours. In collaboration with the Traffic Control Team, we enhanced traffic flow and ensured road safety. As a token of our appreciation, we presented branded items to the diligent members of the Traffic Control Team, recognizing their invaluable contribution to maintaining order and safety on the roads.

Through these initiatives, the Company continues to demonstrate its commitment to social responsibility and community engagement, reinforcing our role as a socially conscious and community-focused organization.

12. Complaints Management Policy

The Company has in place, a Compliant Management Policy and an investor complaints desk at the Head Office to resolve complaints arising from issues covered under the Investment and Securities Act (ISA) 2007 by the shareholders.

A copy of the Shareholder's Complaints Management Policy and Procedure can be found on the Company's Website: www.veritaskapital.com.

13. Agent and Brokers

The Company maintains a network of licensed agents and renders services to its customers through Insurance Licensed Brokers and Registered Agents.

14. Human Resources**Staff Gender Analysis**

The number of males and females employed as of December 31, 2023, vis-a-vis total workforce is as follows:

	MALE	FEMALE	TOTAL
EMPLOYEES	53 (Fifty-Three)	40 (Forty)	93 (Ninety-Three)

Other Human Resources matters within the year in the review are as follows

Staff Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to the board and top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments are duly implemented.

Employee Involvement, Training and Development

In the year under review, we had a staff strength of 93 (53 Males and 40 Females).

Veritas Kapital Assurance Plc encourages the participation of employees in arriving at decisions in respect of matters affecting their well-being through various forums including town hall meetings.

The Company also places a high premium on the development of its Workforce. Consequently, employees were sponsored for various training courses in the year under review.

Employment Equity, Gender, Policies & Practices

Our resourcing and promotion policy ensures equity and is free from the discriminatory bias of gender, ethnicity, origin, age, marital status, sexual orientation, disability, religion, and other diversity issues. This is role modeled throughout our end-to-end employee life cycle process.

Employment of Physically Challenged Persons

Veritas Kapital Assurance Plc is an equal opportunity employer and does not discriminate on any ground. Thus, we provide employment opportunities to physically challenged persons. However, this goes beyond the need to ensure that there is no discrimination against such persons but driven by a deep conviction that even in disability, there could be immense ability.

Health, Safety and Welfare of Employees

Veritas Kapital Assurance Plc maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Also, the Company provides medical facilities to its employees and their immediate families at its expense.

The Company has in place several training programs, workshops, and enlightenment programs/publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company also operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation) Insurance covers and Employee Compensation Act contributions for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal gratuity scheme for its employees

Dissemination of Information

To maintain a shared perception of our goals, we are committed to communicating information to employees in a fast and effective manner as possible.

We consider this critical to the maintenance of team spirit and high employee morale. Circulars and newsletters are published in respect of relevant corporate issues. A good communication link with the workforce is also maintained through regular meetings between the Management and Staff. Engagement is viewed as an important driver of employee performance.

15. Share Capital Information

The analysis of the distribution of the shares of the Company as at December 31, 2023, is as follows:

Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26925903	0.19	13,462,952
500001-1000000	51	32412215	0.23	16,206,108
1000001-5000000	236	1695097208	12.22	847,548,604
50000001-100000000	15	1083097208	7.82	541,984,337
100000001-500000000	14	2229532677	16.08	1,114,766,339
500000001-1000000000	1	535758596	3.86	267,879,298
1000000001-5000000000	2	8262971394	59.59	4,131,485,697
		13,865,795,201	100	6,933,333,335

According to the Register of Members as of December 31, 2023, no individual shareholder held more than 5% of the issued share capital of the Company except for the following:

Member	Share units	%
Dr. Emmanuel I. U Ojei	1,287,628,018	9.29
Veritas Capital Limited	7,321,989,662	52.80

YEAR	AUTHORIZED (₦)			ISSUED AND FULLY PAID UP			CONSIDERATION
	Increase	Cumulative	Naira Value (₦)	Increase	Cumulative	Naira Value (₦)	Increase
1974	200,000	200,000	100,000	200,000	200,000	100,000	Cash
1977	100,000	300,000	150,000	100,000	300,000	150,000	Cash
1978	37,500	337,500	168,750	37,500	337,500	168,750	Cash
1980	162,500	500,000	250,000		337,500	168,750	
1981		500,000	250,000	151,394	488,894	244,447	Cash
1983		500,000	250,000	11,106	500,000	250,000	Cash
1990	4,500,000	5,000,000	2,500,000	900,000	1,400,000	700,000	Cash & Bonus
1991	10,000,000	15,000,000	7,500,000	2,100,000	3,500,000	1,750,000	Cash & Bonus
1992		15,000,000	7,500,000	1,800,000	5,300,000	2,650,000	Cash
1993		15,000,000	7,500,000	4,700,000	10,000,000	5,000,000	Cash
1996	85,000,000	100,000,000	50,000,000	10,000,000	20,000,000	10,000,000	Cash & Bonus
1997		100,000,000	50,000,000	20,000,000	40,000,000	20,000,000	Cash & Bonus
1998		100,000,000	50,000,000	35,685,000	75,685,000	37,842,500	Cash & Bonus
1999		100,000,000	50,000,000	14,315,000	90,000,000	45,000,000	Cash
2003	400,000,000	500,000,000	250,000,000	30,000,000	120,000,000	60,000,000	Cash & Bonus
2004		500,000,000	250,000,000	230,000,000	350,000,000	175,000,000	Cash & Bonus
2005		500,000,000	250,000,000	44,000,000	394,000,000	197,000,000	Cash & Bonus
2006	3,000,000,000	3,500,000,000	1,750,000,000		394,000,000		
2007		3,500,000,000	1,750,000,000	2,000,000,000	2,394,000,000	1,197,000,000	Cash & Bonus
2008	3,500,000,000	7,000,000,000	3,500,000,000	3,606,000,000	6,000,000,000	3,000,000,000	
2008	7,000,000,000	14,000,000,000	7,000,000,000	6,000,000,000	12,000,000,000	6,000,000,000	Split 50k per share
2008		14,000,000,000	7,000,000,000	350,000,000	12,350,000,000	6,175,000,000	Cash
2009		14,000,000,000	7,000,000,000	650,000,000	13,000,000,000	6,500,000,000	Bonus
2011		14,000,000,000	7,000,000,000	866,666,666	13,866,666,666	6,933,333,333	Bonus

16. Unclaimed Dividends Account

These are maintained in a fixed deposit account with Unity Bank Plc. The amount is jointly managed by both Veritas Kapital Assurance Plc and Unity Registrars Limited. The total amount in the account as of December 31, 2023, was N14,806,456.00 (Fourteen Million, Eight Hundred and Six Thousand, Four Hundred and Fifty Six Naira only).

17. **Audit and Compliance Committee**

By section 404(3) of the Companies and Allied Matters Act, 2020, the Audit Committee members of the Company as at the last Annual General Meeting were as follows:

Mr. Paul Oki	Independent Non-Executive Director	Chairman
Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director	Member
Mr. Olusegun J. Akintunde	Shareholders' representative	Member
Mal. Usman Abaji	Shareholders' representative	Member
Mal. Mohammed B. Alhassan	Shareholders' representative	Member

18. **Post Balance Sheet Events**

There are no significant post-balance sheet events that have not been provided for in these Financial Statements.

19. **Auditors**

Messrs Ernst & Young was appointed on 3rd August 2023 as auditors of the Company in accordance with Section 401(1) of the Companies and Allied Matters Act of Nigeria, 2020, and have indicated their willingness to continue in office as the Company's auditors.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine the remuneration of the External Auditors.

BY THE ORDER OF THE BOARD

SARATU UMAR GARBA
Company Secretary



CORPORATE GOVERNANCE REPORT



CORPORATE SERVICES LIMITED

5th April 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF VERITAS KAPITAL ASSURANCE PLC FOR THE YEAR ENDED DECEMBER 31, 2023.

DCSL Corporate Services Limited (DCSL) was engaged by Veritas Kapital Assurance Plc ("the Company") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2023, in line with the provisions of the NAICOM Corporate Governance Guidelines for insurance and Re-insurance Companies in Nigeria, Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission, Corporate Governance Guidelines 2020 (SCCG) as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes and regulations as well as global Best Practices and considered the following key seven corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

Following the review of the policies and processes in place in the Company, we confirm that the Board of Directors is committed to ensuring the implementation of best corporate governance practices and adherence to the principles enshrined in the NAICOM Corporate Governance Guidelines, NCCG and SCGG as well as globally accepted best practices. The Board is committed to ensuring observance of the highest ethical standards and transparency in the conduct of the Company's business. We also found from the Directors' Peer Assessment and Chairman's Leadership Assessment surveys administered on the individual Directors, that the Directors performed commendably against the set governance indicators and remained committed to sustaining the growth of the Company's business.

We have brought to the attention of the Board the sole area that require improvement and are satisfied that the Board has taken due notice of this.

Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,

For: DCSL Corporate Services Ltd

Bisi Adeyemi

Managing Director

FRC/2013/NBA/00000002716

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Introduction

At Veritas Kapital Assurance Plc, we are committed to upholding the creed and principles of good Corporate Governance in all our operations. Our good corporate governance is the bedrock of strong public trust and confidence reposed in us by shareholders, business partners, employees, and the financial markets and the key to our continued long-term success.

In the pursuit of delivering greater shareholder value, we continue to subject our operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success.

Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company also ensures compliance with the Nigeria Code of Corporate Governance (NCCG), 2018, and the Corporate Governance Guidelines as issued by the various Regulators.

Furthermore, the Company's Code of Corporate Governance ("the Code") is continuously reviewed to align with additional legal and regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. In addition to the Code, the Company aggressively promotes its core values to its employees through its Code of Professional Conduct; as well as its Communications Policy, which regulates employee relations with internal and external parties. This is a strong indicator of the Company's determination to ensure that its employees remain professional at all times in their business practices.

The Company also conducts an Annual Board and Directors' Evaluation covering all aspects of the Board's structure, composition, responsibilities, processes, and relationships, in compliance with the requirements of the relevant Codes. To conduct the Annual Board Appraisal for the financial year ended December 31, 2023, the Board engaged the consultancy firm of Messer's DCSL Corporate Services Limited. The independent consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the Board Committees, and the Directors.

The Board Evaluation report for the financial year ended December 31, 2023, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the FRC Code.

During the 2023 financial year, the Company executed various governance initiatives/activities which included; the review of its Corporate Governance Code and other Corporate Governance Policies to align with additional regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. The Board and its Committees also carried out annual self-assessments to evaluate compliance with the terms of reference as contained in their respective Charters.

THE CORPORATE GOVERNANCE STRUCTURE

The Board

The governance of the Company resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board of Directors are responsible for the efficient operation of the Company and to ensure the Company fully discharges its legal, financial, and regulatory responsibilities.

The Board is committed to the highest standards of business integrity, ethical values, and governance; it ensures that an appropriate level of checks and balances is maintained. Members of the Board possess

the right balance of expertise, skills, and experience, which translates to an effective Board and an executive management team capable of steering the affairs of the Company in an ever-changing and challenging environment.

Furthermore, the Board also reviews corporate performance, monitors the implementation of corporate strategy, and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict, and provides general direction to management.

Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including; Banking, Accounting, Oil and Gas, Insurance, Private Business, Politics, Legal Profession, etc. They possess the requisite integrity, skills, and experience to bring to bear independent judgment on the deliberations and decisions of the Board. The Directors have a good understanding of the Company's businesses and affairs to enable them to properly evaluate information and responses provided by Management and to provide an objective challenge to Management.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through its various committees namely:

- Audit and Compliance Committee
- Finance, Investment, and General Purpose Committee
- Establishment and Governance Committee
- Enterprise Risk Management Committee

The Board and various Committees meet quarterly and additional meetings are convened when required. The Board is composed of a mix of Executive and Non-Executive Directors who are accountable to the shareholders.

The Board is comprised of 10 (Ten) Members: 8 (Eight) Non-Executive Directors including the Chairman, 1 (One) Independent Director and 2 (Two) Executive Directors.

Composition of the Board of Directors as of 31st December, 2023

S/N	NAMES OF DIRECTORS	DESIGNATION	STATUS
NON-EXECUTIVE DIRECTORS			
1.	Mr. Nahim Abé Ibraheem	Chairman	Existing Director
2.	Hajia Yabawa Lawan Wabi <i>mni</i>	Non-Executive Director	Existing Director
3.	Sen. Maj. Gen. M. Magoro (<i>OFR</i>)	Non-Executive Director	Existing Director
4.	Mr. Paul Oki	Independent Non-Executive Director	Existing Director
5.	Mrs. Priya Heal	Non-Executive Director	Existing Director
6.	Mr. Aminu Babangida	Non-Executive Director	Existing Director
7.	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	Existing Director
8.	Mr. Emmanuel Etuh	Non-Executive Director	Existing Director
EXECUTIVE DIRECTORS			
9.	Dr. Adaobi Nwakuhe	Managing Director/CEO	New Director
10.	Mr. Sunkanmi Adekeye	Executive Director, Operations	Existing Director

Gender analysis of the Board of Directors as at December 31, 2023, is as follows:

BOARD	MALE	FEMALE	TOTAL
	6 (Six)	4 (Four)	10 (Ten)

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibilities, it is aware of the importance of achieving a balance between conformance to governance principles and economic importance.

The power reserved for the Board includes the following:

- a. Determination of Board structure, size, and composition, including appointment and removal of Directors, succession planning for the Board, Senior Management, and Board Committee members.
- b. Approval of mergers and acquisitions, branch expansion/reduction, the establishment of subsidiaries, approval of remuneration policy and packages of the Board members.
- c. Approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate Governance, and Anti-money laundering.
- d. Approval of resources and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus, and principal regulatory filings with regulators.
- e. Approval of major changes to the Company's corporate structure, and changes relating to the Company's capital structure or its status as a public liability company.
- f. Approval of quarterly, half-yearly, and full-year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices.
- g. Approval of the Company's strategy, medium and short-term plans, and its annual operating and capital expenditure budget.
- h. Recommendation to shareholders of the appointment or removal of auditors and the remuneration of auditors.

The Chairman

The roles of the Chairman and Chief Executive Officer are separate and no one individual combines the two positions. The Chairman is responsible for providing overall leadership of the Company and the Board and eliciting the constructive participation of all Directors to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information to enable the Board to make informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him following the guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Chief Executive Officer is charged with the supervisory role over the technical operations of the Company. The Board regularly reviews group performance, matters of strategic concern, and any other matter it regards as material.

The Independent Director

The Independent Director is responsible for the protection of shareholder's rights and interest in the Company and brings a high degree of objectivity to the Board for sustaining stakeholder trust and confidence. The Independent Director does not have a significant shareholding interest or special business relationship with the Company.

The Company Secretary

The Company Secretary is a point of reference and support for the Directors. The Company Secretary performs both functional and administrative responsibilities to the Board and Management, respectively by assisting in the formulation of an annual Board plan, organization of Board meetings, ensuring that the minutes of each meeting highlight the resolutions of the Board, and ensuring that the decisions are implemented.

Director's Nomination and Appointment Process

The Board Establishment and Governance Committee is charged with the responsibility of leading the process for Board appointments and for identifying, interviewing, and nominating suitable candidates for the approval of the Board. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the National Insurance Commission and the Shareholders at the Annual General Meeting.

Separation of the Positions of Chairman and Managing Director

The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for the implementation of the Company's business strategy and the day-to-day management of the business.

Induction and Continuous Training

Upon appointment to the Board and Board Committees, all Directors receive an induction upon appointment and continuous training tailored to meet their requirements.

The induction, which is arranged by the Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Bank's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities.

The Company Secretary is in charge of evolving a continuing education program to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the program, Directors are encouraged to periodically attend appropriate continuing education seminars or programs that would be beneficial to the Company and the Directors' service on the Board.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, to enhance their performance on the Board and the various Committees to which they belong.

Non-Executive Director's (NED) Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM Code and the Financial Reporting Council (FRC) Code, which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees, and reimbursable travel and hotel expenses.

Attendance to Board and Board Committee Meetings

The primary mission of the Board of Directors is to advance the interests of shareholders by creating a valuable long-term business. The Board believes that this mission is best served by establishing a corporate culture of accountability and ethical responsibility through the careful selection and evaluation of Directors and Senior Management Team and carrying out the Board's responsibilities with integrity and honesty.

The Board carries out its responsibilities through its committees, namely: Statutory Audit and Compliance Committee, Establishment and Governance Committee, Finance, Investment, and General Purpose Committee, and Enterprise Risk Management Committee.

Through these Committees, the Board can more effectively deal with complex and specialized issues and fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board which retains responsibility for final decision-making.

All Committees in the exercise of their powers as delegated, conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each committee. The Committees render reports on their meetings and recommendations to the Board at the Board's quarterly meetings.

Below are the Board Committees:

a. Establishment and Governance Committee:

The Establishment and Governance Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and the re-appointment of Non-Executive Directors on the Board and also reviewing and submitting it to the Board for approval, staff qualified for Senior Management positions, bi-annually reviews the description of the Executive Directors and establish objectives to assess performance, etc.

b. Finance, Investment, and General Purpose Committee:

The Finance, Investment, and General Purpose Committee is responsible for monitoring the integrity of the financial statements of the Company and also considering and approval of investments above the Management limit among others. The Committee comprises members selected to provide a wide range of financial, commercial, and international experience.

c. Statutory Audit and Compliance Committee:

The Company has an Audit Committee set up by the provisions of the Companies and Allied Matters Act. It comprises a mixture of Non-Executive Directors and shareholders elected at the Annual General Meeting. It evaluates annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors, and also reviews with management and the external auditors, the annual audited financial statements before their submission to the Board. During the year, the Committee approved the audit plan and scope of the external auditors' work for the financial year and reviewed quarterly and half-yearly financial results before they were presented to the Board. The Committee also received reports from management on the accounting system and internal controls framework of the Company.

d. Enterprise Risk Management Committee:

The primary purpose of the Enterprise Risk Management Committee is to assist the Board and

the Audit Committee in supervising, reviewing, and assessing the overall adequacy and integrity of the risk management framework of the Company. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk, and other pervasive risks as may be posed by the events in the industry at any point in time.

Board and Committee Composition and Schedule of Attendance for the year ended 31 December 2023

PRESENT	
ABSENT WITH APOLOGIES	
LEFT THE COMMITTEE/BOARD	
NOT YET A MEMBER	NYM

BOARD OF DIRECTORS MEETING

S/N	NAME OF MEMBERS	POSITION	26-01-23	05-05-23	03-08-23	09-11-23
1	Mr. Nahim Abe Ibraheem	Chairman/non -Executive Director				
2	Mr. Kenneth Egbaran	Managing Director/CEO				
3	Sen. Maj. Gen. M. Magoro OFR	Non -Executive Director				
4	Mr. Aminu Babangida	Non -Executive Director				
5	Dr. Oluwafunsho Obasanjo	Non -Executive Director				
6	Mrs. Priya Heal	Non -Executive Director				
7	Hajia Yabawa L. Wabi mni	Non -Executive Director				
8	Mr. Paul Oki	Non -Executive Director				
9	Mr. Emmanuel Etuh	Non -Executive Director				
10	Mr. Sunkanmi Adekeye	Executive Director	NYM			

AUDIT AND COMPLIANCE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	23-01-23	02-05-23	31-07-23	06-11-23
1	Mr. Paul Oki	Chairman/Non -Executive Director				
2	Hajia Yabawa L. Wabi	Non -Executive Director				
3	Mr. Usman Abaji	Shareholder Representative				
4	Mr. Akintunde J. Olusegun	Shareholder Representative				
5	Mr. Mohammed B. Alhassan	Shareholder Representative				

ENTERPRISE RISK MANAGEMENT COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	23-01-23	02-05-23	31-07-23	06-11-23
1	Hajia Yabawa L. Wabi mni	Chairman/Non -Executive Director				
2	Mr. Aminu Babangida	Non -Executive Director				
3	Dr. Oluwafunsho Obasanjo	Non -Executive Director				
4	Mrs. Priya Heal	Non -Executive Director				
5	Mr. Kenneth Egbaran	Managing Director/CEO				
6	Mr. Paul Oki	Non -Executive Director				
7	Sen. Maj. Gen. M. Magoro OFR	Non -Executive Director				
8	Mr. Sunkanmi Adekeye	Executive Director	NYM			

FINANCE, INVESTMENT AND GENERAL-PURPOSE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	24-01-23	03-05-23	01-08-23	07-11-23
1	Mrs. Priya Heal	Chairman/Non -Executive Director				
2	Hajia Yabawa L. Wabi mni	Non -Executive Director				
3	Dr. Oluwafunsho Obasanjo	Non -Executive Director				
4	Mr. Kenneth Egbaran	Managing Director/CEO				
5	Mr. Emmanuel Etuh	Non -Executive Director				
6	Mr. Sunkanmi Adekeye	Executive Director	NYM			

ESTABLISHMENT AND GOVERNANCE COMMITTEE MEETING

S/N	NAME OF MEMBERS	POSITION	24-01-23	03-05-23	01-08-23	07-11-23
1	Sen. Maj. Gen. M. Magoro OFR	Chairman/non -Executive Director				
2	Mr. Aminu Babangida	Non -Executive Director				
3	Dr. Oluwafunsho Obasanjo	Non -Executive Director				
4	Mrs. Priya Heal	Non -Executive Director				
5	Hajia Yabawa L. Wabi mni	Non -Executive Director				
6	Mr. Emmanuel Etuh	Non -Executive Director				
7	Mr. Paul Oki	Non -Executive Director				

NOTE:

1. Mr. Kenneth Egbaran, Managing Director/CEO left the Board at the expiration of his contract of service on October 7th, 2023.

Annual Board Evaluation and Appraisal

The Company recognizes that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The Annual Board Appraisal for the financial year ended December 31, 2023, was conducted by Messer's DCSL Corporate Services Limited. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies, and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the various Codes.

The Annual Board and Director Review/Appraisal Report for the 2023 financial year has been included in this report.

Code of Business Conduct and Ethics

The Company has a Code of Business Conduct which is based on our purpose and values as an organization. The Code sets out collective and individual commitments to ethical business practices in line with the Company's global Policies, relevant laws, regulations, and industry standards. The Code applies to all employees, Directors, and business partners of the Company, and employees are trained and annually certified on the salient provisions of the Code.

In addition to the Code of Business Ethics, we have policies that inspire and guide how we work every day and everywhere. These key policies govern our conduct in all facets of the Company's operations and include policies on Anti-Corruption, Anti-Money Laundering etc. We apply the principles of fairness, integrity, and transparency in all our business dealings as entrenched in our Code of Business Ethics and in line with international best practices. Training, communication programs, and compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and comply with the provisions of the Code and policies.

Shareholders

The General Meeting of the Company is the highest decision-making body. The General Meetings are conducted transparently and fairly. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting it. The Annual General Meetings are attended by representatives of regulators such as the National Insurance Commission, the Securities and Exchange Commission, the Nigerian Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations.

The Company has an Investors Relations Unit, which deals directly with inquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. Also, quarterly, half-yearly, and annual financial results are published in widely-read national newspapers. The Company also dispatches its annual reports, providing the highlight of all the Company's activities to its Shareholders.

Protection of Shareholder's Right

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

Communication Policy

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders, and the public is timely, accurate, and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website: <http://www.veritaskapital.com>. The website is constantly updated with information as events occur.

The website also has an investor relations portal where the Company's Financial Reports and other relevant information are published and made accessible to its shareholders, stakeholders, and the public. The main objective of the Company's Communication Policy is to support the Company in achieving the overall goals described in its core values which strengthens the Company's culture of transparency in pursuit of best corporate governance practices.

Insider Trading and Price Sensitive Information

The Company has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions similar to the standards set out by the Nigerian Stock Exchange. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations.

Directors, insiders, and their related persons in possession of confidential price-sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders, and related parties are prohibited from disposing of, selling, buying, or transferring their shares in the Company for a "lock-up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Monitoring Compliance with Corporate Governance

- a. The Chief Compliance Officer monitors compliance with money laundering requirements and implementation of the Code of Corporate Governance of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to the National Insurance Commission (NAICOM) and Securities Exchange Commission (SEC) that they are not aware of any other violation of the corporate governance code other than as disclosed during the year.
- b. Whistle Blowing Procedures: In line with the Group's commitment to instilling the best corporate governance practice, a whistleblowing procedure was established that ensures anonymity on any reported incidence(s). The Company has a dedicated e-mail address for whistleblowing procedures. The whistleblowing policy can be obtained from the Company's website: www.veritaskapital.com

Unclaimed Dividends

The list of unclaimed dividends has been provided by the Registrars in a separate document.

Compliance with Regulatory Requirements

The Company continued to maintain its commitment to achieving 100% compliance with Statutory and other Regulatory requirements. It complied substantially with the Codes of Corporate Governance of the National Insurance Commission (NAICOM), Securities and Exchange Commission (SEC) as well as post-listing requirements of the Nigerian Exchange Limited (NGX).

To ensure the effectiveness of the Company's compliance system, the level of compliance is monitored regularly by the Internal Audit weekly and by the Audit Committee and the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed (if any) prepared by the Chief Compliance Officer.

Management Committees

Management Committees are set up for a smooth and effective running of the Company. The Committees are risk-driven as they are set up to identify, analyze, synthesize, and make recommendations on risks arising from the day-to-day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that the recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers.

The Committees are as follows:

- Executive Management Committee
- Information Technology Steering Committee
- Claims Committee
- Salvage Committee
- Asset Disposal Committee
- Product Development Committee
- Cost Optimization Committee
- BID Committee
- Disciplinary Committee

CERTIFICATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2023, the company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



SARATU UMAR GARBA

Company Secretary

FRC/2019/PRO/NBA/004/00000019159



**Do not hit the road without
the right protection plan**



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To get started visit: www.veritaskapital.com
or call 07001000500

Corporate Office:

Plot 497, Abogo Largema Street, Off
Constitution Avenue, Central Business
District, FCT Abuja. Tel: 07001000500
E-mail: info@veritaskapital.com
Website: www.veritaskapital.com

Connect with us on:



Hi, I'm Vicki

Your Personal Pension Account Assistant

I can assist you to...

-  **Get your Account Balance/Statement**
-  **Track your Pension Growth & Benefit Application**
-  **Generate Embassy Letter & RSA PIN Certificate**
-  **Check the status of your RSA Mandate File**
-  **Apply for Benefit Payment & many more**



+2348119810650



SUSTAINABILITY REPORT

INTRODUCTION

As a prominent Insurance Company in Nigeria, Veritas Kapital Assurance Plc, known as "VKAP," understands the significance of embracing sustainability principles throughout its operations.

We acknowledge that sustainability entails an ongoing dedication to utilizing resources responsibly, aiming to preserve and enhance natural resources for the benefit of future generations. Our decision-making process not only weighs financial considerations but also assesses potential impacts on sustainability objectives.

In light of the challenges posed by climate change, environmental degradation, and social disparities, it has become evident that maintaining business as usual is no longer feasible. We recognize the imperative to adopt a more sustainable approach, considering the long-term consequences of our actions on the environment, economy, and society. While the pandemic has been a defining event of the past decade, safeguarding and nurturing our environment will profoundly shape our collective future. Thus, sustainability cannot merely serve as a tool for marketing campaigns; it demands genuine commitment from companies and industries to safeguard the well-being of communities.

As a frontrunner in the insurance sector, we continually explore avenues to safeguard the environment. We hold ourselves accountable as a Company for the nature of our business practices. Our customers, partners, investors, and communities need to recognize our unwavering commitment and endeavor to make a meaningful impact. If the world is to achieve its climate objectives by 2050, every form of accountability carries weight. We must go beyond mere rhetoric and demonstrate our steadfast dedication to action, regardless of the challenges.

At Veritas Kapital Assurance Plc, our decisions are guided by the principle of making a positive impact. We firmly believe in conducting business without causing harm to our communities. In the words of Hunter Lovins, "Sustainability is the right thing to do, it's the smart thing to do, it's the profitable thing to do." As leaders and businesses, it is incumbent upon us to lead the charge in fostering a healthier planet. We are committed to creating sustainable value for our brand, people, communities, and the world at large. Achieving this necessitates a steadfast focus on our most vital resources-our people and the planet.

Veritas embodies the sustainability ethos and proudly champions sustainability endeavors within our sphere of influence. We acknowledge that addressing the global sustainability challenges demands significant investment in research, technology, and innovative solutions. Sustainability is deeply ingrained in our core business strategies, and we remain steadfast in conducting our operations responsibly and ethically, thereby making positive contributions to the environment, society, and economy.

The breadth of our sustainability report extends across multiple dimensions, covering critical areas such as social responsibility, workplace health, safety, and welfare, employee engagement and development, customer relationships, economic impact, governance encompassing business practices and ethical conduct, and environmental stewardship.

SOCIAL:

a. Occupational Health and Safety

Our foremost priority is the safety and well-being of our workforce, as we strictly adhere to health and safety regulations. Our business premises are meticulously designed to ensure a secure and healthy working environment. We maintain first aid provisions readily available to staff in case of emergencies, and through a dependable Health Management Organization (HMO), we offer free medical services and counseling to our employees and their families.

Furthermore, our commitment to employee wellness extends beyond medical care. The company provides complimentary access to a gymnasium and regularly conducts free health education and awareness programs for staff members.

We are pleased to report that in the year 2023, our stringent adherence to our Health, Safety, and Environment policy resulted in zero injuries or fatalities among our workforce due to poor work conditions. This accomplishment underscores our unwavering dedication to safeguarding the health and safety of our employees.

b. Human Rights

We conduct our business operations with a steadfast commitment to upholding human rights, ensuring fair treatment and non-discrimination for all individuals involved. To safeguard these principles, we have established robust grievance mechanisms and whistleblowing platforms, allowing for the swift and effective resolution of any concerns or complaints.

Within the reporting period, no grievances related to human rights violations were filed, addressed, or resolved concerning our suppliers, contractors, employees, customers, or stakeholders. This outcome reaffirms our dedication to fostering an environment of respect, dignity, and equality for all.

c. Labor Practices

Our dedication to equal opportunity, inclusivity, and fair compensation is evident in our policies aimed at fostering skills development and creating a cohesive work environment. We are pleased to report that our employee turnover remains within acceptable limits, and we actively promote diversity, with women comprising a notable 41% of our workforce.

To ensure that our employees feel valued and rewarded for their contributions, we have implemented incentive schemes tailored to individual circumstances. These schemes include adjustments for the cost of living, periodic salary reviews, opportunities for promotion, and comprehensive retirement benefits.

Moreover, we regularly conduct employee job satisfaction surveys and leadership assessments to gather feedback on areas of our relationship that may require improvement. By actively seeking input from our employees, we strive to continuously enhance our workplace culture and strengthen our commitment to our workforce.

d. Diversity in the Workplace

The Company's employee policy strictly prohibits any form of discrimination in the workplace, regardless of factors such as gender, age, physical abilities, caste, creed, race, ethnic group, religion, or economic background.

ECONOMIC:

a. Responsible Products and Services

As a prominent underwriting firm, we prioritize the development of customer-centric products and services that adhere to both regulations and international best practices. In doing so, we conscientiously consider economic and environmental factors to ensure sustainable and responsible business practices.

b. **Suppliers' Relationship Management and Ethics**

Our commitment to ethical conduct extends to our relationships with suppliers, encompassing key aspects such as procurement, transparency, confidentiality, fairness, anti-corruption measures, and conflict-of-interest protocols. Additionally, we actively support Small and Medium Enterprises (SMEs) as part of our supplier network. To uphold these standards, we conduct annual reviews of our list of vendors and contractors to ensure their alignment with our service-level agreements and ethical guidelines.

c. **Corporate Social Responsibility (CSR)**

Our corporate social responsibility (CSR) initiatives play a vital role in fostering social development by promoting education, healthcare, and sustainable employment opportunities within the communities we serve.

In 2023, VKAP made significant positive contributions to the Society, including financial awards granted to three students who emerged as winners in the Insurance competition, as well as initiatives aimed at traffic control, among others.

GOVERNANCE:

a. **Anti-corruption**

We uphold a strict zero-tolerance policy towards corruption, bribery, money laundering, and abuse of office. To address any unethical activities, we have implemented robust mechanisms, including a whistleblowing policy, to enable the reporting of such behavior. Our anti-corruption policies and procedures are readily accessible to all employees and management through our intranet.

We are pleased to report that there were no incidents, fines, or exposure related to bribery and corruption from January 1 to December 31, 2023.

ENVIRONMENTAL:

a. **Product and Services Responsibility**

We strive to ensure that our products and services have a minimal environmental footprint throughout their development and distribution processes. Our focus lies in sustaining our customers' businesses through the principles of indemnity, thereby minimizing any adverse environmental impacts.

b. **Waste Management (Reduction of Paper Usage)**

We are committed to actively reducing our carbon footprint by implementing strategies such as minimizing paper usage, transitioning to electronic communications, and exploring automation opportunities. Embracing the environmental management principles of reduce, reuse, and recycle, we have significantly reduced our reliance on paper throughout our operations.

Internally, the majority of our communications, including leave approvals, performance appraisals, training materials, and certain regulatory reports, are handled electronically, eliminating the need for paper printing. Additionally, approximately 75 percent of our customer policy renewal notices are delivered electronically, further reducing paper consumption.

We continuously evaluate our processes to identify additional opportunities for automation and migration to cloud-based storage, further minimizing paper usage within our organization.

c. Energy (Contributing to Reduction of Greenhouse Emissions)

Our initiatives to curb greenhouse gas emissions encompass several strategies, including the installation of solar panels, maintenance of energy-efficient lighting systems across our branches, and the provision of internal and external online training to minimize travel-related emissions.

These efforts have significantly reduced our energy requirements for lighting, with estimates showing a 50% decrease compared to traditional incandescent lighting systems. Moreover, our newly installed lighting facilities are expected to have a longer lifespan, contributing to sustainability.

At our Head Office, we have implemented a modern and efficient 300 KVA electricity generator, which helps to minimize emissions. Additionally, we have commenced the upgrade of our solar plant from 15Kw to 30Kw at the Head Office in Abuja, aimed at further reducing emissions.

Furthermore, we are enhancing sustainability measures at our Annex office in Lagos by upgrading the existing 4.5kw solar solution to 10Kw. This upgrade will power energy-saving LED bulbs and critical IT points connected to the UPS, contributing to a more environmentally friendly operation.

COMPLIANCE WITH REGULATIONS

The Company consistently upholds stringent compliance with environmental laws, resulting in zero fines for non-compliance throughout the year 2023.

Conclusion:

Veritas Kapital Assurance Plc is dedicated to achieving sustainable excellence and growth with a steadfast focus on prioritizing the well-being of our employees, customers, stakeholders, and local communities. We are committed to meeting regulatory standards and being a proactive force for positive change and environmental preservation. We aim to play a pivotal role in shaping and safeguarding the world for future generations.

Sustainability isn't just about preserving our planet for tomorrow; - It's about thriving today to protect lives, livelihoods, and the environment and ensuring a prosperous future for generations to come.



COMPLAINTS AND FEEDBACK MANAGEMENT

INTRODUCTION

At Veritas Kapital Assurance Plc we are committed to delivering the highest level of client satisfaction, which is the cornerstone of our corporate mission. Our entire group provides an impeccable client experience at every touchpoint. This unwavering commitment serves as a driving force in our group's determination to deliver the best possible outcomes and exceed our clients' expectations.

Our commitment to exceptional customer service has been the driving force behind our steady growth over the years. We believe that our clients' needs should always come first, and we never take their satisfaction for granted. We understand that delivering a seamless and impeccable client experience is crucial to our continued success, and we will stop at nothing to achieve it.

Our promise to deliver exceptional customer service that surpasses all expectations is at the core of our values. We strive to achieve this by providing a variety of communication channels that allow our clients and those looking to explore insurance options to connect with us.

COMPLAINTS AND FEEDBACK MANAGEMENT

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COMPLAINTS CHANNELS

VKA endeavors to provide a prompt, efficient, and effective response to inquiries, requests, and grievances, resulting in seamless interactions and mutually beneficial partnerships with our esteemed clientele. As part of our relationship management strategy, we offer a variety of communication channels to our clients. We aim to establish and maintain a professional and productive relationship with our customers, ensuring their satisfaction and loyalty.

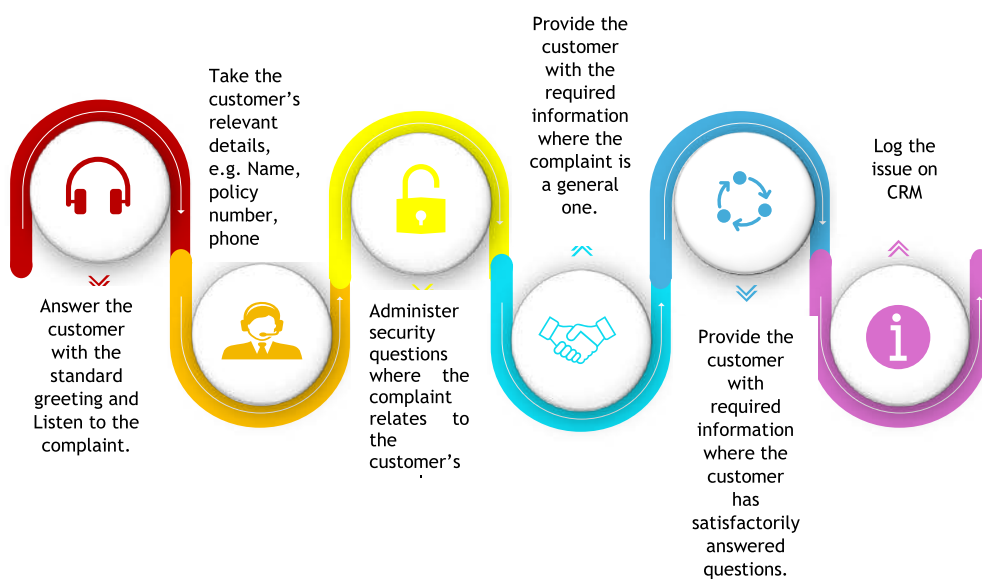
These channels include:

1.	VKA CIC (Customer Interaction Center): cic@veritaskapital.com 0700100050 0, +234 9 461 9999, 08166804784
2.	www.veritaskapital.com LiveChat and Tell us
3.	Correspondence from customers
4.	VKA Social media handles (Twitter, Instagram, Facebook and LinkedIn) https://twitter.com/veritaskapital https://www.instagram.com/veritaskapital https://facebook.com/veritaskapital https://www.linkedin.com/company/veritas-kapital-assurance-plc

We have branches located across all six geopolitical zones, providing our clients and the wider public with convenient and personalized in-person interactions. You can easily locate the addresses of all our branches on our website at www.veritaskapital.com

OUR RESOLUTION ROADMAP

Customer satisfaction is underscored by our focused and effective complaints management policy. This policy ensures that all customer concerns are promptly and thoroughly investigated and resolved, to prevent future occurrences of similar issues. Our highly qualified team is dedicated to the expeditious resolution of all complaints within the prescribed time frame. Their work is facilitated by close collaboration with the business's product and process owners, who help to ensure that all complaints are handled appropriately. Through this approach, we strive to provide our customers with the highest possible level of service and support.



** Thank the customer and assure him or her that they will be contacted with an update if the information is not immediately available and requires follow-up with product/process owners. Such problems will be reported to the product owner and tracked until they are resolved.**

OUR RESOLUTION ROADMAP CONT.

NOTE: When customers provide an okay status, the complaint(s) life cycle is complete. Regardless of the method used to receive and handle complaints, email communications are required where applicable. With the help of these procedures, we can efficiently handle the inquiries, requests, and complaints of our clients.

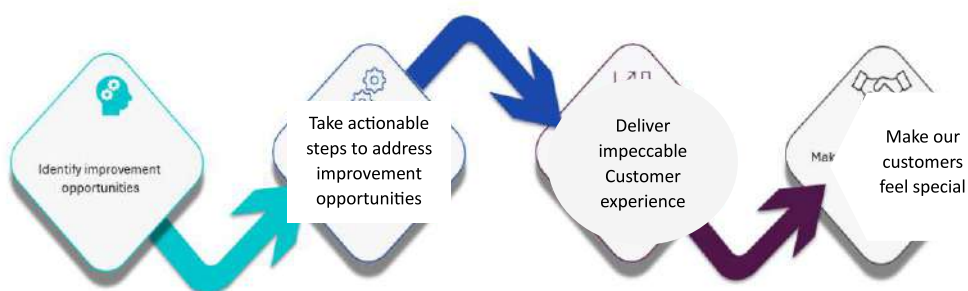
CUSTOMERS' PRODUCT PERSPECTIVES:

In order to continuously develop and improve our product offering, we constantly use the following methods:

- ❖ Customer forum
- ❖ Customer Journey mapping
- ❖ Visitations to top customers
- ❖ Customer product satisfaction survey
- ❖ Interviews with selected customers across policy types
- ❖ Claims experience feedback
- ❖ Tips on products and safety, etc
- ❖ These evaluations are conducted to help us have a clear knowledge of how the consumer sees us.

FEEDBACK ON CUSTOMERS' COMPLAINTS

Comprehensive reports regarding the handling of customer complaints are systematically channelled to relevant departments within the company for further scrutiny. This process serves the critical purpose of guaranteeing that all loopholes are identified and rectified while ensuring the maintenance of best practices. The overarching objective of this procedure is to enhance our overall performance and to ensure maximum customer satisfaction.

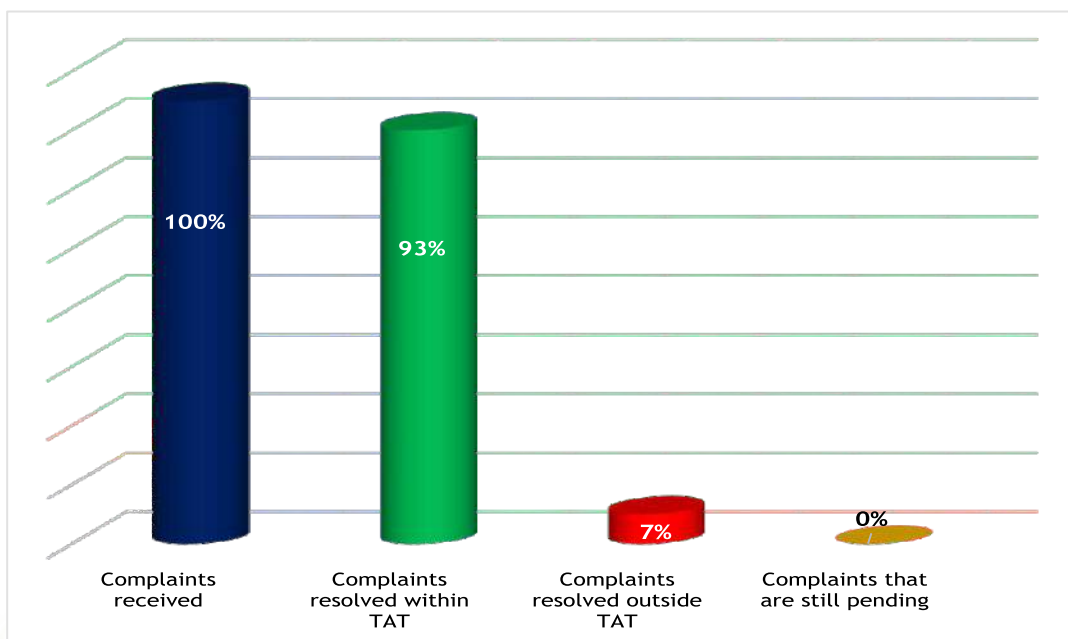


Number Of Complaints Received And Resolved

At VKA, we are committed to providing our customers with an exceptional experience every time. To achieve this, we are constantly working to enhance the accessibility and functionality of our client touchpoints so that our customers can easily and seamlessly communicate with us.

Our goal for 2024 is to elevate the customer experience to new heights by implementing strategic initiatives that strengthen client loyalty at every touchpoint.

The grievances brought up by the customers were acted upon promptly and resolved to their complete satisfaction. The issues that led to the complaints were thoroughly investigated and effectively tackled to prevent any future occurrences.



The graph above shows (in percentage) complaints received and resolved throughout the examined year.

**STATEMENT OF CORPORATE RESPONSIBILITY FOR CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS**

In compliance with section 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited Consolidated and Separate financial statements of the Group for the year ended 31 December 2023 and based on our knowledge confirm as follows:

1. The audited Consolidated and Separate financial statements do not contain any untrue statement of a material fact or omit to state a material fact, which would make the statements misleading;
2. The audited Consolidated and Separate 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 2023;
3. The Group's internal controls have been designed to ensure that all material information relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the audit;
4. The Group's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2023.
5. That we have disclosed to the Auditors and the Audit and Compliance Committee the following information:
 - a. There are no significant deficiencies in the design or operation of the Company's internal controls that could adversely affect the Group's ability to record, process, summarize, and report financial data, and have discussed with auditors any weaknesses in internal controls observed in the course of the Audit.
 - b. There is no fraud involving management or other employees that could have any significant role in the Group's internal control.
6. 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 concerning any observed deficiencies and material weaknesses.

Signed:



Mojeed Somorin
Chief Financial Officer
FRC/2017/ICAN/00000016849
24 May, 2024



Adaobi Nwakuche
Managing Director /CEO
FRC/2021/003/00000023865
24 May, 2024

STATEMENT OF DIRECTOR'S RESPONSIBILITY ON CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Directors of Veritas Kapital Plc. accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as of 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- a. properly selecting and applying accounting policies;
- b. presenting information, including accounting policies, in a manner that provides relevant, reliable, and comparable.
- c. providing additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Group's financial position and financial performance.

Going Concern:

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

Certification of financial statements

- a. In accordance with section 405 of the Companies and Allied Act the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge the:
 - i. Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
 - ii. 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 periods covered by the audited financial statements;
- b. We state that management and directors:
 - i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the bank and its subsidiaries is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,
 - ii. has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its
 - iii. certifies that the group's internal controls are effective as of that date;
- c. We have disclosed
 - i. All significant deficiencies in the design or operation of internal controls that could adversely affect the company's ability to record, process, summarise, and report financial data, and have identified for the company's auditors any material weaknesses in internal controls, and

- ii. Whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and
- d. As indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The financial statements of the Group for the year ended 31 December 2023 were approved by the directors on 24 May 2023.

BY ORDER OF THE BOARD



Adaobi Nwakuche
Managing Director/CEO
FRC/2021/003/00000023865



Mr. Nahim Abé Ibraheem
Chairman
FRC/2020/003/00000020878



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INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC

Scope

We have been engaged by Veritas Kapital Assurance Plc ('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 FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Veritas Kapital Assurance Plc 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 2023 (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 Veritas Kapital Assurance Plc

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), Veritas Kapital Assurance Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC 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.



INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

Veritas Kapital Assurance Plc's responsibilities

Veritas Kapital Assurance Plc'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 Veritas Kapital Assurance Plc's *management's assessment of the Internal Control over Financial reporting as of 31 December 2023* 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 provides a basis for our report on the internal control put in place by management over financial reporting



INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2023, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the annual report for the year ended 31 December 2023 of Veritas Kapital Assurance Plc and we expressed an unmodified opinion in our Auditor's report dated 31 May 2024. Our conclusion is not modified in respect of this matter.

Oluwasayo Elumaro

FRC/2012/PRO/ICAN/004/00000000139

For: Ernst & Young

Lagos, Nigeria.

31 May 2024





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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

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

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the Pension Reforms Act 2014, the relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate 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 Consolidated and Separate 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 consolidated and separate 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 consolidated and separate financial statements.



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

The Key Audit Matters apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Initial application of IFRS 17 Insurance Contracts On 1 January 2023, the Company adopted IFRS 17 Insurance Contracts as described in Note 2.37 "New and amended standard". The Company applied the Full retrospective approach on transition from IFRS 4 to all contracts issued on or after 1 January 2013. The Company's initial application of IFRS 17 introduced significant estimates and judgments in the determination of Insurance Contract Liabilities to reflect the timing of cashflows and uncertainty. More importantly to the users of the consolidated and separate financial statements, is the extensive disclosures on the impact of adopting IFRS 17 introduced by the standard and disclosures on the key assumptions made circa the estimates. The Insurance contract liabilities on transition are disclosed in Appendix 1,2 and 3 "Reconciliation of IFRS 4 to IFRS 17" of the Consolidated and Separate Financial Statements.	Our audit procedures amongst others include: - Obtaining an understanding of the initial application and transition adjustments process. We tested the completeness and accuracy of data used in calculation of transition balances on sample basis. Involvement of our in-house actuarial specialists who phased the review process. Thus we: • Evaluated the appropriateness of the Company's accounting policies and actuarial methodology are in accordance with IFRS 17. • Evaluated the appropriateness of the significant assumptions including Risk Adjustments, the Premium Allocation Approach eligibility assessment, discount rates and expenses included in the fulfilment cashflows. • Evaluated Company's assessment on the availability of reasonable and supportable historic information required for the full retrospective approach to implementation of IFRS 17. • Assessed the appropriateness and consistency of key assumptions used in the calculation of the transition balances with those used in IFRS 4 for the corresponding period, publicly available market data, our knowledge of the products and the requirements of IFRS 17. • Evaluated the reasonableness of the quantitative and qualitative disclosures in the financial statements in accordance with IFRS 17.
Valuation of Insurance Contract Liabilities The Company's insurance contract liabilities as disclosed in note 18 "Summary of Insurance Contract Issued and Re-insurance contract held" is ₦ 4.54 billion as at 31 December 2023 (2022: ₦3.23billion; 2021 ₦4.02 billion) and this amount represents a significant portion of its total liabilities for the respective period. The Company adopts the Premium Allocation Approach in measuring a group of contracts which is the total of:	Our audit procedures were amongst include but were not limited to the following. We: Obtained an understanding of the insurance contract liabilities valuation process. For this process, we focussed on understanding the Company's IFRS 17 implementation process including the approach for classification of insurance contracts for the purpose of measuring insurance contract liabilities. Also, we focussed on management's consistent application of the accounting policies and an inquiry into the actuarial models as well as management's process to ensure integrity of data used.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued

a) the premiums received at initial recognition b) minus any insurance acquisition cashflows at that date c) plus or minus arising from the derecognition of any asset for insurance acquisition cashflows and any other asset or liability previously recognized for cashflows related to the group of contracts. When projecting future cashflows for these insurance contract liabilities, the Company primarily uses deterministic projections using best estimate assumptions. Key assumptions are subjective including the evenly occurrence of risk, sustained future claims payment pattern, large loss increase rate, directly attributable expenses, taxes etc. Auditing the valuation of insurance contract liabilities was complex and required the application of significant audit judgement due to the complexity of the cashflow models, the selection and use of assumptions and the interrelationship of these variables in measuring insurance contract liabilities. The audit also required specialized skills and knowledge in evaluating the audit evidence obtained.	- Involved our actuarial specialists in assessing the methodology and assumptions used in valuation of the insurance contract liabilities in respect to compliance with the Company's policies and IFRS. - Tested underlying support documentation for the inputs into the valuation of insurance contract liabilities, including reviewing a sample of experience studies supporting specific assumptions, evaluating the nature, timing and completeness of changes recorded, and assessing whether individual changes were errors or refinements of estimates. - Assessed the adequacy of the disclosures related to the valuation of the insurance contract liabilities.
--	--

Other Matter

The consolidated and separate financial statements of Veritas Kapital Assurance Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2023

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Veritas Kapital Assurance Plc Annual Report and Consolidated and Separate Financial Statements for the year ended 31 December 2023", which includes the Report of the Directors, Audit Committee's Report, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Statement of Directors' Responsibilities in Relation to the preparation of the Consolidated and Separate Financial Statements, and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VERITAS CAPITAL ASSURANCE PLC-Continued**

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the Pension Reforms Act 2014, the relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC-Continued**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

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

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MEMBERS OF VERITAS CAPITAL ASSURANCE PLC-Continued.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, 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 Group and Company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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

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

Oluwasayo Elumaro

FRC/2012/PRO/ICAN/004/00000000139

For Ernst & Young

Lagos, Nigeria

Date: 31 May 2024





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Consolidated and Separate Statements of Financial Position

As at 31 December 2023

	Note	2023 Group N'000	2022 Group N'000	1-Jan-2022 Group N'000	2023 Company N'000	2022 Company N'000	1-Jan-2022 Company N'000
Assets			Restated	Restated		Restated	Restated
Cash and cash equivalents	3	6,564,667	4,408,793	5,891,133	4,718,745	2,337,933	3,834,178
Investment Securities:							
Fair value through profit or loss	4	113,615	68,090	69,913	113,615	68,090	69,913
Armortised cost	4	7,472,050	5,192,133	3,004,760	3,161,226	1,481,075	1,326,510
Fair value through OCI	4	433,485	92,575	83,416	433,485	92,574	83,417
Trade Receivables	5	1,029,780	738,347	119,564	1,029,780	738,347	119,565
Reinsurance contract assets	18	1,647,858	812,062	1,052,006	1,647,858	812,062	1,052,006
Other receivables and prepayments	6	826,508	535,433	422,450	352,853	197,154	220,975
Investment in subsidiaries	7	-	-	-	4,026,300	4,026,300	3,624,860
Investment properties	9	-	45,000	45,000	-	45,000	45,000
Property, plant and equipment	10	5,436,390	4,556,848	4,729,375	4,391,555	3,495,489	3,377,451
Goodwill	11	316,884	316,884	316,884	-	-	-
Intangible assets - Software	12	422,753	68,114	102,297	401,541	48,162	69,901
Statutory deposits	13	355,000	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	17.1	60,854	60,854	22,293	21,745	21,745	21,745
Total Assets		24,679,843	17,250,135	16,214,091	20,653,703	13,718,931	14,200,520
Liabilities:							
Insurance contract liabilities	18	4,539,202	3,217,225	4,015,143	4,539,202	3,217,225	4,015,143
Other contract liabilities	26	15,539	15,912	6,144	-	-	-
Trade Payables	14	2,105,972	548,733	488,190	2,105,972	548,733	488,190
Employees retirement benefit obligations	15	23,933	22,187	17,024	-	-	-
Provision and other payables	16	1,254,609	850,254	996,710	597,590	488,845	572,865
Income tax liabilities	17	187,033	109,064	86,652	80,876	34,807	23,542
Deferred Tax Liabilities	17.2	184,753	27,459	20,741	157,143	-	-
Total Liabilities		8,311,041	4,790,833	5,630,603	7,480,783	4,289,610	5,099,739
Share capital & reserves:							
Share capital	19	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	20	663,600	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	21	1,900,456	1,434,593	1,303,505	1,900,456	1,434,593	1,303,505
Retained earnings	22	1,008,861	(985,525)	(1,455,577)	39,673	(1,888,409)	(1,951,246)
Other Component of Equity:							
Asset revaluation reserve	23	3,634,971	2,572,253	2,509,957	3,396,185	2,333,468	2,208,012
Fair value reserve	24	235,984	(50,953)	(60,112)	239,673	(47,264)	(56,423)
Equity attributable to equity holders of the parent		14,377,205	10,567,302	9,894,707	13,172,921	9,429,321	9,100,781
Non Controlling interest(NCI)	38	1,991,597	1,892,000	688,780	-	-	-
Total Equity		16,368,802	12,459,302	10,583,487	13,172,921	9,429,321	9,100,781
Total Equity & Liabilities		24,679,843	17,250,135	16,214,091	20,653,703	13,718,931	14,200,520

These financial statements were approved by the Board on 24 May 2024 and signed on its behalf by:



Mojeed Somorin
Chief Financial Officer
FRC/2017/PRO/ICAN/001/00000016849



Mr Nahim Abe Ibraheem
Chairman
FRC/2020/003/00000020878



Dr. Adaobi Nwaku
Managing Director
FRC/2021/003/00000023865

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

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive income

For the year ended 31 December, 2023

		31-Dec-2023	31-Dec-22	31-Dec-2023	31-Dec-22
	Note	Group N'000	Group N'000	Company N'000	Company N'000
			<i>Restated</i>		<i>Restated</i>
Insurance revenue	27	7,103,516	5,048,008	7,103,516	5,048,008
Insurance service expenses	28	(5,488,154)	(2,304,943)	(5,488,154)	(2,304,943)
Insurance service result before reinsurance contracts held		1,615,362	2,743,065	1,615,362	2,743,065
Net expenses from reinsurance contracts held	29	(1,833,101)	(1,770,331)	(1,833,101)	(1,770,331)
Insurance service result		(217,739)	972,734	(217,739)	972,734
Interest income calculated using the effective interest method	32a	704,698	513,347	216,068	148,623
Net fair value gains/(losses) on financial assets at fair value through profit or loss	4a	45,525	(1,823)	45,525	(1,823)
Net foreign exchange gain	33	3,501,928	168,397	3,501,928	168,397
Credit impairment (losses)/reversal	35	(23,834)	11,745	(5,686)	1,160
Finance cost	15a(i).	(2,995)	(2,128)	-	-
Other investment income	32b	1,876,790	1,724,660	455,292	257,755
Net investment income		6,102,112	2,414,198	4,213,127	574,112
Finance expenses from insurance contracts issued	30	(239,390)	(119,034)	(239,390)	(119,034)
Finance income from reinsurance contracts held	31	83,531	30,117	83,531	30,117
Net insurance finance income		(155,859)	(88,917)	(155,859)	(88,917)
Net insurance and investment result		5,728,514	3,298,015	3,839,529	1,457,929
Other operating income	34	838,082	578,130	115,782	57,963
Other operating expenses	36	(3,584,324)	(3,093,475)	(1,538,207)	(1,294,340)
Profit before income tax		2,982,272	782,671	2,417,104	221,552
Tax expense	37	(231,985)	(70,240)	(87,788)	(27,627)
Profit for the year		2,750,288	712,431	2,329,316	193,925
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss(net of tax):</i>		-	-	-	-
Net actuarial gains/(loss) on retirement benefit obligation	51a	1,364	(2,815)	-	-
Gain on revaluation of property, plant and equipment (net of tax)	51b	1,127,346	125,456	1,127,346	125,456
Fair value gain on financial asset at FVOCI(net of tax)	51c	286,937	9,159	286,937	9,159
Other comprehensive income, Net of tax		1,415,648	131,800	1,414,283	134,615
Total comprehensive income		4,165,935	844,231	3,743,599	328,540
Profit for the period, attributable to:					
* Non-controlling interests		174,916	171,819	-	-
* Owners' of the Parent		2,575,372	540,612	-	-
		2,750,288	712,431	-	-
Total Comprehensive Income, attributable to:					
* Non-controlling interests		516,711	48,107	-	-
* Owners' of the Parent		898,936	83,693	-	-
		1,415,648	131,800	-	-
Basic Earnings per Share	25	0.40	0.10	0.34	0.03

Statement of Changes in Equity

for the year ended 31 December 2023

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-Controlling Interest N'000	Total N'000
Restated balance as at 1 January 2023	6,933,333	663,600	2,572,253	(50,953)	1,434,593	(985,625)	10,567,302	1,892,000	12,459,302
Profit for the year	-	-	-	-	-	2,575,372	2,575,372	174,916	2,750,288
Other Comprehensive Income:									
Gain on revaluation of properties, plant and equipment	-	-	1,127,346	-	-	-	1,127,346	-	1,127,346
Fair value gain on financial asset at FVOCI	-	-	-	286,937	-	-	286,937	-	286,937
Transfer of revaluation gain on disposal of PPE	-	-	(64,629)	-	-	64,629	-	-	-
Actuarial gain on retirement benefit obligation	-	-	-	-	-	1,266	1,266	99	1,364
Total Comprehensive Income	-	-	1,062,717	286,937	-	2,641,287	3,990,921	175,015	4,165,935
Transfer to Contingency Reserve	-	-	-	-	465,863	(465,863)	-	-	-
Transactions with owners of equity									
Dividends to equity holders	-	-	-	-	-	(181,017)	-	(75,418)	(256,435)
As at 31 December 2023	6,933,333	663,600	3,634,971	235,984	1,900,456	1,008,861	14,558,222	1,991,597	16,368,802
As at 31 December 2021, as previously reported									
Impact of IFRS 17 Implementation									
As at 1 January 2022 restated	6,933,333	663,600	2,509,957	(60,112)	1,303,505	(1,455,677)	9,894,707	688,780	10,583,487
Profit for the year	-	-	-	-	-	540,612	540,612	171,819	712,431
Other Comprehensive Income:									
Changes in fair value of FVOCI Investments	-	-	-	9,159	-	-	9,159	-	9,159
Net actuarial loss on retirement benefit obligations	-	-	-	-	-	(2,632)	(2,632)	(182)	(2,815)
Revaluation gain on PPE	-	-	125,456	-	-	-	125,456	-	125,456
Transfer of revaluation gain on disposal of PPE	-	-	(63,160)	-	-	63,160	-	-	-
Total Comprehensive Income	-	-	62,296	9,159	-	601,139	672,595	171,638	844,231
Transfer to Contingency Reserve	-	-	-	-	131,087	(131,087)	-	-	-
Recapitalization of VG Pension	-	-	-	-	-	-	-	1,050,000	1,050,000
Transactions with owners of equity:									
Dividends to equity holders	-	-	-	-	-	-	-	(18,418)	(18,418)
Restated balance as at 31 December 2022	6,933,333	663,600	2,572,253	(50,953)	1,434,593	(985,625)	10,567,302	1,892,000	12,459,301

**Separate Statement of Changes in Equity
for the year ended 31 December 2023**
Company

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
Restated balance as at 1 January 2023	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,888,409)	9,429,321
Profit for the year	-	-	-	-	-	2,329,316	2,329,316
Other Comprehensive Income: Gain on revaluation of properties, plant and equipment	-	-	1,127,346	-	-	-	1,127,346
Fair value gain on financial asset at FVOCI	-	-	-	286,937	-	-	286,937
Transfer of revaluation gain on disposal of PPE	-	-	(64,629)	286,937	-	64,629	-
Total Comprehensive Income	-	-	1,062,717	286,937	-	2,393,945	3,743,599
Transfer to Contingency Reserve	-	-	-	-	465,863	(465,863)	-
As at 31 December 2023	6,933,333	663,600	3,396,185	239,673	1,900,456	39,674	13,172,921

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000
As at 31 December 2021, as previously reported	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,731,721)	9,320,306
Impact of IFRS 17 Implementation	-	-	-	-	-	(219,525)	(219,525)
As at 1 January 2022 restated	6,933,333	663,600	2,208,012	(56,423)	1,303,505	(1,951,246)	9,100,781
Profit for the year	-	-	-	-	-	193,925	193,925
Other Comprehensive Income: Changes in fair value of financial assets at FVOCI Gain on revaluation of properties, plant and equipment	-	-	-	9,159	-	-	9,159
Total Comprehensive income	-	-	125,456	-	-	-	125,456
Transfer to Contingency Reserve	-	-	125,456	9,159	-	-	328,540
Restated balance as at 31 December 2022	6,933,333	663,600	2,333,468	(47,264)	1,434,593	(1,888,409)	9,429,321

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

Consolidated and Separate Statements of Cashflows for the year ended 31 December 2023

		31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
		Group	Group	Company	Company
		N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Premium received		7,563,210	4,051,379	7,298,401	3,750,790
Commission received		655,246	213,684	655,246	213,684
Reinsurance receipts in respect of claims		295,303	319,376	295,303	319,376
Other operating income	34	838,082	578,130	115,782	57,963
Cash paid to and on behalf of employees	36	(1,358,585)	(1,017,913)	(415,544)	(375,291)
Reinsurance premium paid		(1,339,558)	(1,898,855)	(1,339,558)	(1,898,855)
Insurance benefits and claims paid		(2,210,543)	(1,793,545)	(1,776,210)	(1,322,925)
Commission paid		(89,107)	(710,696)	(89,107)	(710,696)
Maintenance expenses		(168,081)	(136,523)	(168,081)	(136,523)
Exchange gain	33	(2,056,383)	(168,397)	(2,056,383)	(168,397)
Cash paid to intermediaries and other suppliers		(1,191,347)	(1,854,115)	(1,106,991)	(1,143,477)
Company income tax paid	17	(145,854)	(63,675)	(33,558)	(365)
Net cashflow from/(used in) operating activities		792,383	(2,481,150)	1,379,300	(1,414,716)
Cash flow from Investing Activities:					
Purchase of property, Plant and equipment	10	(157,266)	(225,541)	(61,248)	(77,180)
Purchase of intangible assets	12	(424,613)	(1,676)	(413,357)	-
Proceed from sale of property and equipment	50a	424,313	284,394	411,102	12,064
Proceed from disposal of investment property	9	45,000	-	45,000	-
Dividend income	32	13,210	5,556	194,225	50,769
Interest received		1,967,187	1,932,077	455,782	319,276
Purchase of amortised cost investment	4v	(2,710,086)	(2,388,748)	(1,688,718)	(303,714)
Redemption/repayment on amortised cost investments	4v	412,404	189,292	-	150,000
Net cashflows (used in)/from investing activities		(429,850)	(204,645)	(1,057,213)	151,214
Cash flow from Financing Activities:					
Investment in subsidiary	7	-	-	-	(401,440)
Deposit for shares	38	-	1,050,000	-	-
Dividend paid	22&38	(256,435)	(18,418)	-	-
Net cashflows (used in)/from financing activities		(256,435)	1,031,582	-	(401,440)
Net Increase/(decrease) in cash and cash equivalents		106,098	(1,654,213)	322,087	(1,664,941)
Cash and cash equivalents at the 1 January		4,414,490	5,900,306	2,343,391	3,839,935
Effects of exchange rate changes on cash and cash equivalents		2,056,383	168,397	2,056,383	168,397
Cash and cash equivalents at the 31 December	3	6,576,971	4,414,490	4,721,860	2,343,391

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the group") was initially incorporated under the name of Kapital Insurance group Limited as a private limited liability group on the 8 August, 1973. on 14 March 2007, it acquired and merged with two other insurance companies became a public limited liability group. Its shares are quoted on the Nigerian Stock Exchange. Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The financial statements for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the board on 24 May 2024

The group has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent.

1.2 Principal Activities

The principal business of the group is underwriting of non-life insurance risks.

The subsidiaries activities are:

- Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.
- Veritas Health Care Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated and Separate Financial Statements comprise the Statements of Profit or Loss and Other Comprehensive Income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statement of profit or loss as required or permitted by IFRS.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the group in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**1.4 Basis of preparation and measurement - continued**

Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM), and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011. Historical cost basis was used in preparation of the consolidated and separate financial statements as modified by the certain items of:

- Property, plant and equipment at valuation
- Investment property at fair value
- Investments at fair value
- Impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These Consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate.

1.6 Going Concern status

The consolidated and separate financial statements have been prepared on the going concern basis. The group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the company and group due to sufficient liquidity and based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the group is carried out to ensure that there are no going concern threats to the operation of the group.

1.7 Presentation of financial statements

The group presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

1.8 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the group, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1.8 Significant judgements and key sources of estimation uncertainty-continued

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors should include:

The judgements made by the Directors in the process of applying the group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- **Insurance contracts**

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's 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. (Note 2.2)

- **Fair value of unquoted equity financial instruments**

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- **Property, Plant and equipment**

Property, Plant and equipment represent one of the most significant proportions of the asset base of the group, accounting for about 26% of the group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- **Goodwill**

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which temporary differences can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and other factors.

1.8 Functional and presentation currency

The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the group.

2 Summary of material accounting policies**2.1 Introduction to summary of material accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Insurance contracts**A. Key types of insurance contracts issued, reinsurance contracts held and measurement approach.**

The company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor, general accident, marine, fire bond, oil & gas, engineering and agriculture. These products contain significant insurance risks and offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident or the effect of their actions against third parties.

The Company accounts for these insurance contracts applying the principles underlying International Financial Reporting Standard (IFRS 17) Insurance Contracts and other relevant International Accounting Standards (IAS) - the Premium Allocation Approach (PAA).

The company also holds reinsurance contracts to mitigate risk exposures. The types of reinsurance contracts held include -facultative reinsurance, treaty Reinsurance. proportional reinsurance, non-proportional reinsurance. These are also accounted for using the Premium Allocation Approach (PAA).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued****B. Definition and Classification**

Insurance contracts underwritten 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 pure life insurance contracts or any life insurance contracts with direct participating features or any contract of insurance with investment component. The company issues only non-life (General Business) insurance to individuals and commercial businesses.

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:

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

D. Separating components from insurance and reinsurance contracts

In line with the requirement of IFRS 17, 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

E. Level of aggregation (Unit of account)

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. The Company's insurance contracts portfolios are disaggregated into annual cohorts or cohorts of periods that are not more than one year apart. Limiting groups to contracts issued within one year or less apart improves the transparency of profitability to be reported in the Company's set of financial statements.

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

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. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

- Significant changes in external conditions including economic or regulatory changes.
- 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 Liabilities for Remaining Claims (LRC) and not Liabilities for Incurred Claims (LIC) which is already measured at the current fulfillment value. Fulfillment 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 are loss-making does not mean the LRC will also be onerous. Judgment is applied to determine whether each cohort's LRC will be similar to this incurred experience and hence onerous.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued****E. Level of aggregation (Unit of account) -continued**

For example, actions taken to improve profitability a historically loss-making cohort may indicate that the cohort will be non-onerous going forward.

"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

For short term contracts accounted for applying the PAA, the Group determines that its contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

- Significant changes in external conditions including economic or regulatory changes.
- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows

All contracts have currently been assessed as having no possibility of becoming 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

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

Reinsurance contracts Held-continued

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

The company recognizes groups of insurance contracts issued from the date when the first payment from a policyholder in the group becomes due. As the company 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.

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 group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

H. Measurement of insurance contracts issued.

1. 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 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 Group 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

H. Measurement of insurance contracts issued-continued

- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources (Marketers, Underwriters, Claims & Reinsurance etc.), information technology and support, building depreciation, rent, and maintenance and utilities
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders.

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows.

The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own 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 Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

H. Measurement of insurance contracts issued-continued

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 FGN Bonds. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates. However, for the current year the company a bottom-up approach was adopted in setting the average discount rate for the liability valuation, having regard to the published yield curve by the Nigeria Actuarial Society (NAS). An average spot/zero curve locked in rate of 13.34% per year was adopted to estimate the value of the future expected cashflows from the liability for incurred claims (LIC) obligations as at the valuation date. No deduction for illiquidity premium and No (additional) spread has been applied. The NAS interest curve used to discount future cash flows is derived from the Federal Government (FGN) Bonds yield with similar characteristics (in terms of timing, currency and liquidity requirements) as the future fulfillment cashflows.

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

"The Company adopts Confidence level (Value at Risk) approach as measure of the risk adjustment for non-financial risks.

A full IFRS 17 liability distribution is generated across all non-financial risks and the risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level. This is allocated to all the group of insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and results in lower economic capital being necessary to absorb the residual level of uncertainty.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

Methodology: Premium Allocation Approach (PAA) -continued

On initial recognition the Company expects that the time between providing each part of the services and the related premium due date is not more than a year. The portion that is above one year is 1,06%, 1,22% and 1,95% for 2021, 2022 and 2023 respectively.

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

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the company recognizes a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cashflows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cashflows are discounted (at current rates) if the liability for incurred claims is also discounted. The Company recognizes the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cashflows relating to incurred claims. The future cashflows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

If a loss -recovery component is created for group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the assets for remaining coverage instead of adjusting the profit element. If any of the Company's contracts is onerous, the Group recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the profit of the Group on that contract being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.

Subsequent Measurement of Insurance contracts under PAA

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued**

Subsequent Measurement of Insurance contracts under PAA-continued

The Group measures the liability for remaining coverage at each subsequent reporting date as follows:

- (a) Previous carrying amount,
 - (b) Premium received in the period
 - (c) Amortization of insurance acquisition cashflows
- Less:
- (d) Capitalized insurance acquisition cashflows
 - (e) insurance revenue recognized and
 - (f) investment paid or transferred to the liability for incurred claims

Insurance acquisition cash flows

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. The company 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 the Company).

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. Company 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued**

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 of one year or less.

As the company measures contracts using PAA, the company's insurance acquisition costs comprise of costs:

- that are directly attributable to individual contracts or groups of contracts in a portfolio
- that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group 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.

Changes in fulfilment cash flows and roll forward

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 cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)
- Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

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

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

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 consist 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 Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Company uses locked-in discount rates. They 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

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.

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 issued.

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 is recognized at the beginning of the coverage period of the contract.

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued**

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

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

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 Group 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
 - 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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

K. Presentation

The Company has presented separately in the company's statement of financial position the carrying number 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.

1. Insurance Revenue

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:
 - o Amounts allocated to the loss component.
 - o Repayments of investment components, if any.
 - o Amounts that relate to transaction-based taxes collected on behalf of third parties.
 - o Insurance acquisition expenses.
 - o Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
 - o Changes that relate to future service that adjust the CSM.
 - o Amounts allocated to the loss component.
- 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued**

Both amounts are measured in a systematic way on the basis of the passage of time. The company applies PAA in determining its insurance revenue. 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.

2. Insurance service expenses

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

- Incurred claims and related expenses
 - Changes related to future service
 - Changes related to past service
 - Other directly attributable insurance service expenses incurred in the period. The company has adopted a policy of allocating average of 40% of some specific expense items to insurance service expense. The specific expense items include technical staff, business development, customer care staff salaries, marketing & advertising expenses. All other costs are allocated to operational / administrative expenses
 - 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 (reversal)

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.2 Insurance contracts-continued**

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

- 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.

4. 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.

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 does not write participating contracts and does need to reassess its accounting policy choice in respect of such policies. Comparatives are not restated.

As PAA is applied, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for its 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.2 Insurance contracts-continued

L. Contracts existing at transition date.

On transition date, 1 January 2022, the company:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.
- In determining the appropriate transition approach, the following were considered:
the coverage period of the in-force policies
the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

1. Full Retrospective approach

On transition to IFRS 17, the Company applied the full retrospective approach unless impracticable to do so.

The Company has applied the full retrospective approach on transition to all short-term contracts in force at the transition date.

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

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

2.3 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the group operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.3 Foreign currencies-continued**

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognized on a net basis in the income statements in the year in which they arise, except for difference arising on translation of non-monetary available-for-sale financial assets, which are recognized in other comprehensive income.

2.4 Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segment.

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity)
- For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.

The company group operates insurance and pension lines of business and entirely within a geographical region.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have a maturity period of less than or equal to three months.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments

a. Initial recognition and measurement

Financial instruments are recognized initially when the group becomes a party to the contractual provisions of the instrument.

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

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

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

b. Measurement and recognition of expected credit losses

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments -continued

c. Derecognition of financial instruments

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

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

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

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

d. Offsetting financial instruments

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

e. Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the group as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

1) financial assets at fair value through profit or loss

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments-continued

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

ii) Amortised Cost

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

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

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

iii) Fair Value through other comprehensive income (FVTOCI)

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

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test). "

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments-continued

"The group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

Financial assets that are debt instruments, Lease receivables, Loan and receivables, financial guarantee contracts issued; and Loan commitments issued. The group measures expected credit losses and recognizes interest income on risk assets based on the following stages:"

"Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the group recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.

Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment. "The group's process to assess changes in credit risk is multi-factor and has three main elements;

- I. Quantitative element, a quantitative comparison of PD at the reporting date and PD at initial recognition
- II. Qualitative elements
- III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).

For other exposures, significant increases in credit risk are made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the group groups its exposures on the basis of shared credit risk characteristics."

Significant increase in credit risk: "The group decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments-continued

The group applies qualitative and quantitative criteria for stage classification and for its forward and backward migration.

I) Assets carried at amortised cost

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

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments-continued

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 recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

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

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

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

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

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

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

c) Reclassification of financial assets: Reclassification of financial assets is determined by the group's senior management, and is done as a result of external or internal changes which are significant to the group's operations and demonstrable to external parties.

Reclassification of financial assets occurs when the group changes its business model for managing financial assets.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.6 Financial instruments-continued

Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

The classification of the Company's financial instruments has been summarized in the table below:

Category		Classes as determined by The Group		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and bank balances with Central Bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account
		Loans and advances		Placements
				FGN Treasury Bills
		Investment securities		Staff loans
		Other assets		Corporate bonds
				Fees receivable
	Fair value through other comprehensive income	Listed securities		Intercompany
				Other receivables
Financial liabilities	Financial liabilities at amortised cost	Listed securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		
		Insurance contract liabilities		Accruals
				Payables
		Trade payables		Other creditors
				Outstanding claims
		Other liabilities		Unearned premiums

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.6 Financial instruments-continued****Measurement**

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

Amortised cost measurement

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

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

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMDQ)).

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

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.6 Financial instruments-continued****Forward-Looking Information**

In the context of IFRS 9, is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward-looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses."

2.7 Trade receivables

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

2.8 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks on the bases of treaty and facultative agreements. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. In the course of ceding out business to reinsurers, the Company incurs expenses. This is recognized as reinsurance expense in the statement of profit or loss.

2.8.1 Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

2.8.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The company has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.9 Deferred Policy Acquisition Costs (DAC)**

Acquisition cost comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses that ratio of unearned premium to written premium. With IFRS 17 adoption, this is no longer a line item on the face of the SOFP.

2.10 Prepayment

Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit and loss account.

2.11 Consolidation**2.11.1 Subsidiaries**

The financial statements of subsidiaries are consolidated from the date the company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the company.

Inter-company transactions, balances and unrealized gains on transactions between companies within the company are eliminated on consolidation. Unrealized losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the company. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.11 Consolidation

Disposal of Subsidiaries

On loss of control, the company derecognizes the assets and liabilities of the subsidiary, any controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.11.2 Investment in Associates

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize the company's share of the profit or loss and other comprehensive income of the associate. when the company's share of losses of an associate exceeds the company's interest in that associate (which includes any long-term interest that, in substance, form part of the company's net investment in the associate), the company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.11 Consolidation -continued**

When a company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

2.12 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuers. gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

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

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

When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

2.13 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets.

Amortization is calculated using the straight-line method to write down the cost of each license or item of software to its residual value over its estimated useful life.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.13 Intangible Assets-continued**

Amortization begins when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognized.

Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.14 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.15 Property, Plant and Equipment**a. Recognition and measurement**

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment"

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet componentised as the asset has not been put into use.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.15 Property, Plant and Equipment-continued

b. Subsequent cost

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

c. Depreciation

Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:"

Freehold land	0%
Buildings	2%
Furniture & Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Plant & Equipment	20%
Motor Vehicles	25%

Freehold land is not depreciated. Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal.

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

d. Revaluation of land and building.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.15 Property, Plant and Equipment-continued**

When land and building are revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the profit or loss. When the value of a land or building is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that land or building. However, to the extent that it exceeds any surplus, it is recognised as an expense in profit or loss.

When revalued land and building are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the depreciation charged on the revalued amount and the lower depreciation which would be charged to revaluation reserve and accumulated losses but not through profit or loss. The revaluation of land and building is carried out every year.

e. Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit."

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.16 Statutory Deposits

Statutory Deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003.

Statutory deposit is measured at cost.

2.17 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the company underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.17 Insurance contract liabilities -continued****2.17.1 Types of Insurance Contracts**

Insurance contract may be non-life or life. The company issues only non-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the company's customers against the risk of causing harm to third parties as result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There is no maturity or surrender benefits.

2.17.2 Recognition and measurement of non-life insurance contracts

a. For all non-life insurance contract, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the company. The company does not discount its liabilities for unpaid claims.

Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.17 Insurance contract liabilities -continued

2.17.2 Recognition and measurement of non-life insurance contracts-continued

b. Salvages

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

Salvage recoveries are used to reduce the claim expense when the claim is settled.

c. Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the company has the right to receive future cash flow from the third party.

d. Deferred Income

Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e. Reinsurance Contracts held

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. Technical Reserves

These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follows:

- * Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.
- * Reserve for outstanding claims: The reserve for outstanding claims is maintained to the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.17 Insurance contract liabilities -continued

2.17.2 Recognition and measurement of non-life insurance contracts-continued

g. Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

2.18 Trade and other Payables

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

2.19 Retirement Benefit Obligations

Pension Cost

The company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.20 Provisions

General Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. 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 recognised as a finance cost.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.21 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

2.21.1 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.21.2 NITDA Levy

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of 100million under the third schedule of the Act.

2.21.3 Deferred Tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined 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, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.21.3 Deferred Tax**

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

- * Current tax assets against current income tax liabilities and
- * The deferred taxes relate to the same taxable entity and
- * The same taxation authority

2.22 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.23 Statutory Contingency Reserve

The company maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits.

2.24 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.25 Assets Revaluation Reserve

This represents the company's revaluation reserve emanating from revaluation of certain assets.

2.26 Other Income Items Recognition**2.26.1 Commission income**

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income are recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. With the adoption of IFRS 17 these are treated as part of reinsurance service expenses to arrive at Net expenses from reinsurance contracts held.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.26.2 Investment Income**

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

2.26.3 Management and Administrative Fees**Management Fee**

Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is affected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee

Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.26.4 Realized/Unrealized Gains and Losses

Realized or unrealized gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.27 Claims Expenses Recognition

2.27.1 Claims Incurred/Expense

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims, handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance. All claims paid and incurred are charged against the underwriting income as expense when incurred. With the adoption of IFRS 17 these costs are treated as part of insurance service expenses before determining insurance service result.

2.27.2 Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.28 Interest Income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, interest income is recognized by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "investment income - interest income" line item.

2.29 Expenses

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued**2.29 Expenses-continued**

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a depreciation or amortization. These allocation procedures are intended to recognize expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. an expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.30.1 Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These costs are charged in the income statement in the period they are incurred. With the adoption of IFRS 17 these costs are treated as part of insurance service expenses.

2.31 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 impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an asset's or cash generating unit's 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-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, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. in this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previous 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 recognised. if that is the case the carrying amount of the asset is increased to its recoverable amount.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued**

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.32 Earnings Per Share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.33 Dividends

Dividends on ordinary shares are recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.34 Comparatives

Where necessary, comparative have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.35 Contingent liabilities

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.36 Contingent assets

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the company's control.

2.37 Changes in accounting policies and disclosures

New and amended standards and interpretations

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

a) IFRS 17 Insurance Contracts

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

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

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

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Company has restated comparative information for 2022 applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

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

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**2 Summary of material accounting policies-continued****2.37 Changes in accounting policies and disclosures-continued****Changes to classification and measurement-continued**

- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non- financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts

Changes to presentation and disclosure

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

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

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

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

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

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

Instead, IFRS 17 requires separate presentation of:

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

The Company provides disaggregated qualitative and quantitative information about:

Amounts recognised in its financial statements from insurance contracts.

Significant judgements, and changes in those judgements, when applying the standard

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.37 Changes in accounting policies and disclosures-continued

b) Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

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

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

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

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

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

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.37 Changes in accounting policies and disclosures-continued

- e) International Tax Reform—Pillar Two Model Rules - Amendments to IAS 12-continued
For example:

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

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

2.38 Standards issued but not yet effective.

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

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

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee

uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.38 Standards issued but not yet effective-continued

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

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

d. Lack of exchangeability - Amendments to IAS 21

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2 Summary of material accounting policies-continued

2.38 Standards issued but not yet effective-continued

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3 Cash and cash equivalents	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
This comprises of :				
Cash on hand	857	884	652	593
Cash at Banks	661,539	429,134	567,738	277,815
Short term deposit (Staff gratuity fund assets)	8,044	9,239	8,044	9,238
Short term deposit (note 3.2)	5,906,531	3,975,233	4,145,426	2,055,745
	6,576,971	4,414,490	4,721,860	2,343,391
Adjustment for ECL on fixed deposit (note 3.1)	(12,304)	(5,696)	(3,115)	(5,458)
Total	6,564,667	4,408,793	4,718,745	2,337,933

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1 Movement in Adjustment ECL	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
As at 1 January	5,696	9,172	5,458	5,758
Charge/(Write back) (See note 34)	6,608	(3,475)	(2,343)	(300)
As at 31 December	12,304	5,696	3,115	5,458

3.2 Financed by:

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Financed by Insurance fund	4,145,426	2,055,745	4,145,426	2,055,745
Financed by other funds	1,761,105	1,919,488	-	-
	5,906,531	3,975,233	4,145,426	2,055,745

Short term deposits consist of placements with commercial banks with contractual maturity date of less than 3 months.

3.3 A reconciliation of gross carrying amount and corresponding allowance for ECL

Group	STAGE 1	
	Gross carrying amount N'000	ECL N'000
As at 1 january 2023	3,984,471	5,696
New assets originated or purchased	5,914,575	12,304
Assets derecognized	(3,984,471)	(5,696)
As at 31 December 2023	5,914,575	12,304

	STAGE 1	
	Gross carrying amount N'000	ECL N'000
As at 1 january 2022	4,665,671	9,172
New assets originated or purchased	3,984,471	5,696
Assets derecognized	(4,665,671)	(9,172)
As at 31 December 2022	3,984,471	5,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.3 A reconciliation of gross carrying amount and corresponding allowance for ECL -continued

Company	STAGE 1	
	Gross carrying amount N'000	ECL N'000
As at 1 January 2023	2,064,983	5,458
New assets originated or purchased	4,153,470	3,115
Assets derecognized	(2,064,983)	(5,458)
As at 31 December 2023	4,153,470	3,115

	STAGE 1	
	Gross carrying amount N'000	ECL N'000
As at 1 January 2022	2,675,528	5,758
New assets originated or purchased	2,064,983	5,458
Assets derecognized	(2,675,528)	(5,758)
As at 31 December 2022	2,064,983	5,458

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
4 Financial Assets				
This comprises of:				
Equity instruments at fair value through profit or loss (note 4a)	113,615	68,090	113,615	68,090
Debt instruments at amortised cost (Note 4b)	7,472,050	5,192,133	3,161,226	1,481,075
Fair value through OCI (Note 4c)	433,485	92,575	433,485	92,574
	8,019,150	5,352,799	3,708,326	1,641,739
Current	94,609	43,878	-	-
Non-current	7,924,542	5,308,921	3,708,326	1,641,740
	8,019,150	5,352,799	3,708,326	1,641,740

These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting period and are derived as follows:

a

Movement in FVTPL during the period	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Fair value at 1 January	68,090	69,913	68,090	69,913
Fair value gain/(loss)	45,525	(1,823)	45,525	(1,823)
Fair value as at 31 December	113,615	68,090	113,615	68,090

a(i) Historical movement in FVTPL

Cost at initial recognition	152,278	152,278	152,278	152,278
Accumulated fair value losses to date	(38,663)	(84,188)	(38,663)	(84,188)
Fair value as at 31 December	113,615	68,090	113,615	68,090

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
b Amortised Cost				
FGN treasury bills see note (i) below	94,609	43,878	-	-
State/FGN government bonds see note (ii) below	7,126,605	4,844,845	3,161,226	1,481,075
Corporate bond see note (iii) below	250,837	303,410	-	-
	<u>7,472,050</u>	<u>5,192,133</u>	<u>3,161,226</u>	<u>1,481,075</u>
Balance at 1 January	5,192,134	3,027,184	1,481,074	1,326,510
Additions	1,490,236	2,144,861	1,049,097	249,345
Redemption/Repayment during the year	(103,954)	(189,293)	-	(150,000)
Accrued interest	945,905	243,888	659,113	74,711
Balance at 31 December	<u>7,524,321</u>	<u>5,226,639</u>	<u>3,189,284</u>	<u>1,500,566</u>
Expected credit loss	<u>(52,270)</u>	<u>(34,506)</u>	<u>(28,058)</u>	<u>(19,491)</u>
	<u>7,472,050</u>	<u>5,192,133</u>	<u>3,161,226</u>	<u>1,481,075</u>
i FGN Treasury Bills				
Balance at 1 January	43,878	185,041	-	143,702
Additions	46,153	1,942	-	-
Redemption/Repayment during the year	-	(149,402)	-	(150,000)
Accrued interest	4,578	6,298	-	6,298
Balance at 31 December	<u>94,609</u>	<u>43,878</u>	<u>-</u>	<u>(0)</u>
	<u>94,609</u>	<u>43,878</u>	<u>-</u>	<u>(0)</u>
ii FGN Bonds and State Bonds				
Balance at 1 January	4,844,847	2,728,842	1,481,074	1,182,808
Additions	1,626,132	1,965,188	1,049,097	249,344
Redemption/Repayment during the year	(237,517)	(34,819)	-	-
Accrued interest	931,151	220,141	659,113	68,414
Balance at 31 December	<u>7,164,613</u>	<u>4,879,351</u>	<u>3,189,284</u>	<u>1,500,566</u>
ECL	<u>(38,008)</u>	<u>(34,506)</u>	<u>(28,058)</u>	<u>(19,491)</u>
	<u>7,126,605</u>	<u>4,844,845</u>	<u>3,161,226</u>	<u>1,481,075</u>
iii Corporate Bonds				
Balance at 1 January	303,409	90,877	-	-
Additions	17,870	200,156	-	-
Redemption/Repayment during the year	(70,934)	(5,071)	-	-
Accrued interest	14,754	17,447	-	-
Balance at 31 December	<u>265,099</u>	<u>303,409</u>	<u>-</u>	<u>-</u>
ECL	<u>(14,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>250,837</u>	<u>303,409</u>	<u>-</u>	<u>-</u>
iv Movement in expected credit losses (ECL) during the year				
Balance at 1 January	34,506	42,740	19,491	20,315
Charge/(reversal) during the year	<u>17,764</u>	<u>(8,234)</u>	<u>8,567</u>	<u>(824)</u>
Balance at 31 December	<u>52,270</u>	<u>34,506</u>	<u>28,058</u>	<u>19,491</u>

v A reconciliation of gross carrying amount and corresponding allowance for ECL

Group

	STAGE 1	
	Gross carrying amount	ECL
	N'000	N'000
As at 1 January 2023	5,226,639	34,506
New assets originated or purchased	2,710,086	21,783
Assets derecognized	(412,404)	(4,019)
As at 31 December 2023	<u>7,524,321</u>	<u>52,270</u>

	STAGE 1	
	Gross carrying amount	ECL
	N'000	N'000
As at 1 January 2022	3,027,184	42,740
New assets originated or purchased	2,388,748	3,763
Assets derecognized	(189,293)	(11,997)
As at 31 December 2022	<u>5,226,639</u>	<u>34,506</u>

Company

	STAGE 1	
	Gross carrying amount	ECL
	N'000	N'000
As at 1 January 2023	1,500,566	19,491
New assets originated or purchased	1,688,718	8,567
Assets derecognized		
As at 31 December 2023	<u>3,189,284</u>	<u>28,058</u>

	STAGE 1	
	Gross carrying amount	ECL
	N'000	N'000
As at 1 January 2022	1,346,852	20,315
New assets originated or purchased	303,714	18,700
Assets derecognized	(150,000)	(19,524)
As at 31 December 2022	<u>1,500,566</u>	<u>19,491</u>

c Fair value through other comprehensive income

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Fair value at 1 January	92,575	83,416	92,575	83,416
Additions	22,091	-	22,091	-
Fair value gain	318,819	9,159	318,819	9,159
Balance at 31 December	<u>433,485</u>	<u>92,575</u>	<u>433,485</u>	<u>92,575</u>

Fair value through other comprehensive income consists of equity investment in Waica RE and Systemspec

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023	Group 2022	Company 2023	Company 2022
5 Trade Receivables	N'000	N'000	N'000	N'000
a This comprises of:				
Premium receivable from insurance brokers	1,520,406	1,228,974	1,520,406	1,228,974
Premium receivable from insurance agents	55,270	55,270	55,270	55,270
Premium receivable from policy holders	33,158	33,158	33,158	33,158
Premium Receivable From Insurance Companies	158,931	158,930	158,931	158,931
	1,767,765	1,476,332	1,767,765	1,476,332
Impairment of premium receivables	(737,985)	(737,985)	(737,985)	(737,985)
	1,029,780	738,347	1,029,780	738,347
b. Movement in impairment is as follow:				
Balance, beginning of period	737,985	737,985	737,985	737,985
Balance, at end of the period	737,985	737,985	737,985	737,985
b Age analysis of gross premium receivables are as follows				
0-30 days	1,029,780	738,347	1,029,780	738,347
	1,029,780	738,347	1,029,780	738,347
c Analysis of movement in impairment 2023				
	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 31 December N'000
Group				
Premium receivable from insurance brokers	490,646	-	-	490,646
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,911	-	-	158,911
	737,985	-	-	737,985
Company				
Premium receivable from insurance brokers	539,103	-	-	539,103
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	737,985	-	-	737,985
Group				
	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	490,646	-	-	490,646
Premium receivable from insurance agents	55,270	-	-	55,270
Premium receivable from policy holders	33,158	-	-	33,158
Premium receivable from insurance companies	158,911	-	-	158,911
	737,985	-	-	737,985
Company				
	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	539,103	-	-	539,103
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	737,985	-	-	737,985

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
6 Other receivables and prepayments				
The balance is analysed as follow:				
Receivables from staff (see note (a) below)	48,047	65,117	30,082	53,638
Deposit for investment (See Note (b)below)	28,346	28,346	28,346	28,346
Commercial papers (See Note (c)below)	217,459	217,459	217,459	217,459
Prepayment	52,057	50,932	8,596	8,730
Inventory	4,113	5,558	2,339	3,895
Receivables from Related parties (see note i below)	62,033	62,033	62,033	62,033
Fees receivables and other receivables (See Note (d)below)	734,973	427,375	324,519	144,442
Prepaid recapitalisation expenses (See Note (e)below)	48,050	44,650	48,050	44,650
Withholding tax receivable(See Note (f)below)	24,856	27,926	24,856	27,926
	1,219,935	929,397	746,280	591,119
Impairment of other receivables and prepayment(See Note (g)below)	(393,427)	(393,965)	(393,427)	(393,965)
	826,508	535,433	352,853	197,154
Current	710,371	408,282	241,312	81,484
Non-current	110,081	127,151	92,116	115,671
	826,508	535,433	352,853	197,154

- a Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Balance at 1 January	65,117	101,497	53,638	94,886
Addition	39,284	35,974	32,798	32,798
Utilised during the year	(56,354)	(72,354)	(56,354)	(74,046)
	48,047	65,117	30,082	53,638

- b Included in deposit for investment is the amount with Chapel Hill for purchase of quoted equities on the Nigeria Stock Exchange and investment in other financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
c Commercial papers represents receivables from the following entities				
a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
b) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711
c) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	<u>217,459</u>	<u>217,459</u>	<u>217,459</u>	<u>217,459</u>
ci These commercial papers have been impaired by the company as they are in doubt of recovery.				
d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end				
This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as prepaid expense pending the conclusion of the process. On completion, this will be applied against the share premium.				
e				
f	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Withholding tax receivables				
At 1 January	27,926	33,017	27,926	33,017
Additions	5,091	10,906	5,091	10,906
Utilised during the period(see note 17)	(8,161)	(15,997)	(8,161)	(15,997)
Balance at 31 December	<u>24,856</u>	<u>27,926</u>	<u>24,856</u>	<u>27,926</u>
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
g The movement in impairment charge is as follows:				
Balance at 1 January	393,427	393,965	393,427	393,965
Balance at 31 December	<u>393,427</u>	<u>393,965</u>	<u>393,427</u>	<u>393,965</u>

2023

Group

	Balance at 1 Jan 2023	Provision no longer required	Adjustment	Balance at 31 December 2023
Commercial papers	217,459	-	-	217,459
Receivables from staff	1,369	-	-	1,369
Receivables from Related Party (Goldlink)	62,033	-	-	62,033
Fees receivable and other receivables	113,104	-	(538)	112,566
	<u>393,965</u>	<u>-</u>	<u>(538)</u>	<u>393,427</u>
	Balance at 1 Jan 2023	Provision no longer required	Adjustment	Balance at 31 December 2023
Company				
Commercial papers	217,459	-	-	217,459
Receivables from staff	1,369	-	-	1,369
Receivables from Goldlink	62,033	-	-	62,033
Fees receivable and other receivables	113,104	-	(538)	112,566
	<u>393,965</u>	<u>-</u>	<u>(538)</u>	<u>393,427</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2022

	Balance at 1 Jan 2022		Provision no longer required		Balance at 31 December 2022
Group		Addition		Adjustment	
Commercial papers	250,220	-	-	(32,761)	217,459
Prepayment	31,502	-	-	(31,502)	-
Receivables from staff	1,966	-	-	(598)	1,368
Inventory	5,689	-	-	(5,689)	-
Other receivables	6,825	-	-	(6,825)	-
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	35,731	-	-	77,375	113,106
	<u>393,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,966</u>

Company

	Balance at 1 Jan 2022		Provision no longer required		Balance at 31 December 2022
Company		Addition		Adjustment	
Commercial papers	250,220	-	-	(32,761)	217,459
Prepayment	31,502	-	-	(31,502)	-
Receivables from staff	1,966	-	-	(598)	1,368
Inventory	5,689	-	-	(5,689)	-
Other receivables	6,825	-	-	(6,825)	-
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	35,731	-	-	77,375	113,106
	<u>393,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,966</u>

- This relates to amount recoverable from :1.Associates- Goldlink Insurance Plc - as at 31 December 2023, the amount relates to various expenses incurred on their behalf amounting to N62.033 million (2022, N62.033 milion).

7 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2023. The details of the subsidiaries and principal activities are detailed below:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Veritas Glanvills Pension Limited at cost(a)	-	-	3,610,000	3,610,000
Veritas Health Care Limited at cost (b)	-	-	416,300	416,300
	<u>-</u>	<u>-</u>	<u>4,026,300</u>	<u>4,026,300</u>

- a Veritas Glanvills Pension Limited has issued ordinary share capital of 5 billion units of N1 each. Veritas Kapital holds 3.5 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos.
- b Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Management tested investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of each of the Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7 Investment in Subsidiaries-continued

	Veritas Glanvill Pension		Veritas Healthcare Limited	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Total revenue	2,425,910	2,001,655	264,809	411,985
Profit before tax	714,293	570,066	31,888	52,680
Total assets	6,975,358	6,502,585	743,648	738,038
Total liabilities	641,897	395,098	129,421	143,563
Shareholders fund	6,333,461	6,107,487	614,227	594,475
c Movement in Investment in Subsidiaries	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Veritas Glanvills Pensions Ltd				
balance as at January 1	-	-	3,610,000	3,208,560
Additions during the year				401,440
	-	-	3,610,000	3,610,000
Investment in Veritas Healthcare Ltd	N'000	N'000	N'000	N'000
Balance as at January 1	-	-	416,300	416,300
	-	-	416,300	416,300
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
8 Investment in Associates	1,010,650	1,010,650	1,010,650	1,010,650
Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
	-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2022:1,268,314,351) ordinary shares representing 51.53% (2022:51.53%) holdings in Goldlink Insurance Plc as at 31/12/2023.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.

In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9 Investment properties

Investment property comprises of landed property and building held for the purpose of capital appreciation and rental income and are carried at fair value.

The movement in the fair value of investment properties as at 31 December 2023 is as follows:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Balance at 1 January	45,000	45,000	45,000	45,000
Addition	-	-	-	-
Disposal	(45,000)	-	(45,000)	-
Balance at 31 December (see note 11c)	-	45,000	-	45,000

Measurement of fair value

a Fair value hierarchy.

The fair value of the Investment properties for prior year has been determined by external, independent professional valuers, Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) and signed by Obiora Okafor (FRC/2012/PRO/ICAN/004/00000000139), having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

There were no investment property for the period 2023 (2022:N45.0 million) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b Valuation technique and significant unobservable inputs

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

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

c (i)

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
A unit of 5 bedroom terrace house	-	45,000	-	45,000
	-	45,000	-	45,000

C (ii) The movement in the fair value of investment properties as at 31 December 2023 is as follows

	Balance at 1 Jan 2023	Additions	Disposals	Revaluation gain or loss
Status of Title Documents	45,000	-	(45,000)	-
A unit of 5 bedroom terrace house	45,000	-	(45,000)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10 GROUP

Property, plant and equipment

	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	T total N'000
Cost/Valuation							
At 1 January	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Additions	-	250	55,298	48,496	53,221	-	157,266
Revaluation adjustments	181,849	1,070,758	-	-	-	-	1,252,607
Transfer/ reclassification	-	5,874	185,509	-	-	(191,383)	-
Disposals	(140,000)	(194,295)	(9,743)	(55,210)	-	-	(399,247)
As at 31 December	1,306,849	3,846,717	680,954	847,481	224,574	-	6,906,574
Accumulated depreciation							
At 1 January	-	96,551	356,524	585,702	147,614	152,708	1,339,099
Depreciation	-	65,197	191,898	78,032	22,636	(152,708)	205,055
Disposals	-	(15,867)	(2,893)	(55,210)	-	-	(73,970)
As at 31 December	-	145,882	545,529	608,525	170,249	-	1,470,184
Carrying amount as at 31 December 2023	1,306,849	3,700,835	135,425	238,956	54,324	-	5,436,390
Cost/Valuation							
At 1 January	1,160,000	3,177,768	411,363	795,822	167,723	169,300	5,881,977
Additions	-	61,340	39,891	97,893	4,335	22,083	225,541
Revaluation adjustments	125,000	456	-	-	-	-	125,456
Disposals	(20,000)	(275,436)	(1,365)	(39,520)	(706)	-	(337,026)
As at 31 December 2022	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Accumulated depreciation							
At 1 January	-	93,544	314,637	511,539	135,162	152,708	1,207,589
Depreciation expenses	-	38,880	43,252	113,683	13,158	-	208,972
Disposals	-	(35,872)	(1,365)	(39,520)	(706)	-	(77,462)
As at 31 December 2022	-	96,551	356,524	585,701	147,614	152,708	1,339,099
Carrying amount as at 31 December 2022	1,265,000	2,867,577	93,365	268,493	23,739	38,675	4,556,848

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10 b Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Additions	-	250	45,406	6,799	8,792	-	61,248
Revaluation adjustments	181,849	1,070,758	-	-	-	-	1,252,607
Transfer/ Reclassification	-	5,874	-	-	-	(5,874)	-
Disposals	(140,000)	(194,295)	(2,892)	(55,210)	-	-	(392,397)
As at 31 December	1,306,849	3,067,587	326,496	251,909	144,247	-	5,097,088
Accumulated depreciation							
At 1 January	-	60,371	240,112	267,576	112,083	-	680,141
Depreciation expenses	-	43,692	22,794	19,446	6,579	-	92,511
Disposals	-	(9,081)	(2,829)	(55,210)	-	-	(67,120)
As at 31 December	-	94,982	260,077	231,812	118,662	-	705,533
Carrying amount as at 31 December, 2023	1,306,849	2,972,605	66,419	20,097	25,585	-	4,391,555
Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,140,000	2,123,554	279,795	338,705	132,531	-	4,014,584
Additions	125,000	60,990	5,551	1,136	3,630	5,874	77,180
Revaluation adjustments	-	456	-	-	-	-	125,456
Transfer/ Reclassification	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31 December	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Accumulated depreciation							
At 1 January	-	38,554	223,713	268,726	106,141	-	637,133
Depreciation expenses	-	21,817	17,764	38,370	6,648	-	84,599
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(1,365)	(39,520)	(706)	-	(41,591)
As at 31 December	-	60,371	240,112	267,576	112,083	-	680,141
Carrying amount as at 31 December, 2022	1,265,000	2,124,629	43,869	32,744	23,372	5,874	3,495,489

a) Land and Building was independently valued by Obiora Okator & Associates, Real Estate surveyors (FRC/2020/003/00000021867) and signed by Obiora Okator

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**b Valuation technique and significant unobservable inputs**

The following table shows the valuation technique used in measuring the value of the land & building, as well as the significant unobservable inputs used.

Valuation technique	Significant Observable Input	Sensitivity
The fair values are determined by applying market value approach. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Price PER square meter. -Rate of development in the area. -Location of the building. -Commercial neighbourhood. -Specialised nature of the building -Accessibility to transport links. - Physical condition	The estimated fair value would increase/ (decrease) if the rate of development in the area increases/ (decreases), quality of the building increases / (decreases), influx of people and/or business to the area increases/ (decreases)

10c. Leasehold land and building Comprises:

Group	31 December 2023			31 December 2022		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	727,317	727,317	-	742,949	742,949
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,135,551	2,710,009	3,845,560	1,000,000	1,800,000	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	171,298	263,509	434,807	125,000	200,000	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	-	-	-	140,000	124,629	264,629
Company	1,306,849	3,700,835	5,007,684	1,265,000	2,867,578	4,132,578
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,135,551	2,710,009	3,845,560	1,000,000	1,800,000	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	171,298	262,596	433,894	125,000	200,000	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	-	-	-	140,000	124,629	264,629
	1,306,849	2,972,605	4,279,454	1,265,000	2,124,629	3,389,629

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10d Movement in leasehold land and building is as follows:
Group 2023

Property Location/Description	1-Jan-23 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-23 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I, Lagos	742,949	-	-	-	(15,631)	-	727,318
Plot 497 Abogo Largema Street. Off Const. Ave.	2,800,000	250	-	(48,663)	(39,148)	1,070,758	3,783,197
CBD	325,000	-	-	(5,136)	(4,543)	181,849	497,170
Plot 173 Oshodi-Gbagada express way, opp.	264,629	-	(264,629)	-	-	-	-
UPS, Gbagada, Lagos.	4,132,578	250	(264,629)	(53,799)	(59,322)	1,252,607	5,007,685
Plot 116 Hadejia Road, Yankaba, Kano.							
Group 2022							
Property Location/Description	1-Jan-22 N'000	Addition N'000	Disposals N'000	Transfer/Adj ustment N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-22 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I, Lagos	809,099	-	-	(47,341)	(18,810)	-	742,949
Plot 497 Abogo Largema Street. Off Const. Ave.	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
CBD	300,000	-	-	-	(2,029)	27,029	325,000
Plot 173 Oshodi-Gbagada express way, opp.	325,000	-	-	-	(2,199)	(58,172)	264,629
UPS, Gbagada, Lagos.	270,000	-	(270,000)	-	(40,627)	-	-
Plot 116 Hadejia Road, Yankaba, Kano.	4,304,099	60,990	(270,000)	(47,341)	(40,627)	125,456	4,132,578
26, Commercial Avenue, Sabo, Yaba, Lagos							
Company 2023							
Property Location/Description	Jan 1 2023 N'000	Addition N'000	Disposals N'000	Transfer/Adj ustment N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-23 N'000
Plot 497 Abogo Largema Street. Off Const. Ave.	2,800,000	250	-	(49,575)	(39,148)	1,070,758	3,782,285
CBD	325,000	-	-	(5,136)	(4,544)	181,849	497,169
Plot 173 Oshodi-Gbagada Express way, opp.	264,629	-	(264,629)	-	-	-	-
UPS, Gbagada, Lagos.	3,389,629	250	(264,629)	(54,711)	(43,692)	1,252,607	4,279,454
Plot 116 Hadejia Road, Yankaba, Kano.							
Company 2022							
Property Location/Description	Jan 1, 2022 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	31-Dec-22 N'000
Plot 497 Abogo Largema Street. Off Const. Ave.	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
CBD	300,000	-	-	-	(2,029)	(33,342)	264,629
Plot 173 Oshodi-Gbagada Express way, opp.	325,000	-	-	-	(2,199)	2,199	325,000
UPS, Gbagada, Lagos.	3,225,000	60,990	-	-	(21,817)	125,456	3,389,629
Plot 116 Hadejia Road, Yankaba, Kano.							

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Company 2023 N'000	Company 2022 N'000
11 Goodwill		
Balance, beginning of the year	316,884	316,884
Adjustment	-	-
Balance, end of year	<u>316,884</u>	<u>316,884</u>
The goodwill is arising on acquisitions in the following subsidiaries:		
VG Pension	316,884	316,884
Veritas Health Care Limited	-	-
	<u>316,884</u>	<u>316,884</u>
a Analysis of movement		
Balance at 1 January	<u>316,884</u>	<u>316,884</u>
Balance at 31 December	<u>316,884</u>	<u>316,884</u>

The goodwill recognised on acquisition of Veritas Healthcare Limited (N69.56 million) was fully impaired.

The calculation of value-in-use was based on the following key assumptions

- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

A terminal growth rate averaging 2.8% for VHCL and 4.6% for VGPL (2022: averaging 2.8% for VHCL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for VHCL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for VHCL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

The estimated cashflow projections for the five years forecast period is N1.9Billion (2022 :N0.997Billion, this was derived by using a forecasted growth rate of 15.33% (2022 : 23%)

The key assumptions described above May change AS economic and market conditions change. The company estimates that reasonably possible changes in these assumptions would not cause The recoverable Amount of either CGU to decline below The carrying amount.

Assessment of impairment on goodwill was developed by the management of the company.

12 Intangible assets - Software

This comprises of acquired computer software which does not form part of a related hardware.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Computer software				
Cost				
Balance, at 1 January	490,401	488,724	354,639	354,639
Additions	424,613	1,676	413,357	-
Balance at 31 December	<u>915,015</u>	<u>490,401</u>	<u>767,996</u>	<u>354,639</u>
Accumulated amortisation				
Balance, at 1 January	422,287	386,428	306,478	284,739
Amortisation	69,975	35,859	59,977	21,739
Balance at 31 December	<u>492,262</u>	<u>422,287</u>	<u>366,455</u>	<u>306,478</u>
Carrying amount 31 December	<u>422,753</u>	<u>68,114</u>	<u>401,541</u>	<u>48,162</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
13 Statutory deposit	355,000	355,000	355,000	355,000

This represent amount deposited with the Central Bank of Nigeria (CBN) as at 31 December, 2023 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

14 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at period end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
This is analysed as follows:				
Commission payable	182,465	209,178	182,465	209,178
Co-insurance premium payable	1,923,507	339,554	1,923,507	339,554
	2,105,972	548,733	2,105,972	548,733

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
15 Retirement benefit obligation				
Gratuity Scheme	23,933	22,187	-	-

a Defined Benefit Scheme

Veritas Healthcare Limited has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum of five (5) years are paid a sum based on their qualifying emoluments and the number of years spent in service of the Company. The actuarial valuation of the scheme for 31 December 2023 was performed by PENMED Actuarial Consultants FRC/2014/NAS/0000000953 and signed by Bode Olajumoke (FRC/2014/NAS/0000000953).

Summary of membership data	2023	2022
Active Members	14	14
Total annual emoluments	N108.8mn	N117.2mn
Average Liability duration over future service	17	17.8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
15 Retirement benefit obligation-continued
Underlying assumptions

The rate used to discount Pre-retirement employment benefit obligations is determined in line with IAS19, with reference to market yields at the balance sheet date on high quality corporate bonds. The following are the significant assumptions adopted in the computations

Valuation interest rate	13.5%
Salary increase rate	16.5%

Benefit Liability	2023	2022
	N'000	N'000
(Deficit) / Surplus of Funded Plans	(23,933)	(22,187)
Liability Recognized	<u>(23,933)</u>	<u>(22,187)</u>

(i). Reconciliation of Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows;

	Dec-23	Dec-22
	N'000	N'000
At 1 January	22,187	17,024
Current service cost*	2,475	1,973
Interest Cost	2,995	2,128
Benefit paid	(2,208)	(1,753)
Actuarial (gains) due to change in financial assumptions	(1,516)	(96)
Actuarial losses due to change in demographic assumptions	-	2,911
Balance at 31 December	<u>23,933</u>	<u>22,187</u>

*Current service cost was included as part of staff cost in note 36

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

	Group	Group	Company	Company
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
16 Provision and other payables				
This is analysed as follows:				
Life insurance fund (Note 16a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	57,021	75,636	28,478	55,495
Staff accounts (see note 16b)	115,357	121,953	15,388	51,686
Accrued professional fees (see note 16c)	94,257	47,923	94,257	47,323
Accrued NAICOM levy	78,258	44,696	78,258	44,696
Supplies & Services Bills Payables (note 16e)	294,824	119,374	185,580	121,255
Other accruals and payables (see note 16f)	181,925	84,204	41,402	12,969
Unclaimed dividends	14,806	14,806	14,806	14,806
Due to employees	8,001	9,194	8,001	9,195
Pension Protection fund(note 16d)	278,741	201,049	-	-
	<u>1,254,607</u>	<u>850,252</u>	<u>597,587</u>	<u>488,843</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

- a Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital and then Veritas Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a Life Assurance Company.

- b Staff account balance is in respect, unremitted amount on behalf of staff to various PFAs for the month of December 2023 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at January 2024, staff related benefits have been fully settled.

- c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

- d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

- e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

- f Included in other accruals are unmatched inflows into various bank accounts and stale unrepresented cheques.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Current	664,601	519,523	420,588	342,622
Non-Current	590,005	330,729	176,999	146,221
	<u>1,254,607</u>	<u>850,252</u>	<u>597,587</u>	<u>488,843</u>
17 Income tax liabilities				
Company income tax	181,841	80,340	38,889	24,469
Education tax	49,987	12,985	48,779	958
Information technology levy	-	8,714	-	2,189
Police Trust Fund	121	44	121	11
Deferred tax expense or write back	-	(31,843)	-	-
Per income statement	231,985	70,240	87,788	27,627
Balance at beginning of the year	109,064	86,652	34,807	23,542
Withholding tax utilised(see note 6f)	(8,161)	(15,997)	(8,161)	(15,997)
Payments	(145,854)	(31,831)	(33,558)	(365)
Per statement of financial position	<u>187,033</u>	<u>109,064</u>	<u>80,876</u>	<u>34,807</u>
17.1 Deferred tax asset				
At 1 January	60,854	22,293	21,745	21,745
Write back to income statement	-	38,561	-	-
Balance at 31 December	<u>60,854</u>	<u>60,854</u>	<u>21,745</u>	<u>21,745</u>
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
17.2 Deferred tax liability				
At 1 January	27,459	20,741	-	-
Charges for the year	-	6,718	-	-
Other comprehensive income	157,294	-	157,143	-
Balance at 31 December	<u>184,753</u>	<u>27,459</u>	<u>157,143</u>	<u>-</u>
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Movements in deferred tax liabilities during the year:				
Recognised in other comprehensive income during the year:				
Net actuarial gains/(loss) on retirement benefit obligation	152	-	-	-
Gain on revaluation of property, plant and equipment	125,261	-	125,261	-
Fair value gain on financial asset at FVOCI	31,882	-	31,882	-
	<u>157,294</u>	<u>-</u>	<u>157,143</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
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Deferred tax liabilities are attributable to the following items:

Net actuarial gains/(loss) on retirement benefit obligation	152	-	-	-
Fair value gains on investment properties	125,261	-	125,261	-
Fair value gains on equity instruments at FVOCI	59,341	27,459	31,882	-
	184,753	27,459	157,143	-

18 Insurance and reinsurance contracts

The breakdown of groups of insurance 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:

A Entity Level Summary

Insurance Contract Liabilities Group	2023 N'000	2022 N'000	2021 N'000
Liability for incurred Claims	2,166,913	1,990,182	2,155,456
Liability for remaining coverage	2,372,289	1,227,043	1,859,687
Total insurance contract liabilities	4,539,202	3,217,225	4,015,143

Reinsurance Contract assets held

Assets for incurred claims	773,979	592,327	804,602
Assets for remaining coverage	873,878	219,735	247,403
Total reinsurance contract asset held	1,647,858	812,062	1,052,005

Company	2023 N'000	2022 N'000	2021 N'000
Liability for incurred Claims	2,166,913	1,990,182	2,155,456
Liability for remaining coverage	2,372,289	219,735	1,859,687
Total insurance contract liabilities	4,539,202	2,209,917	4,015,143

Reinsurance Contract assets held

Assets for incurred claims	773,979	592,327	804,602
Assets for remaining coverage	873,878	219,735	247,403
Total reinsurance contract asset held	1,647,858	812,062	1,052,005

B Portfolio-Wise Summary
Group

	2023			2022		
	Asset N'000	Liabilities N'000	Net N'000	Asset N'000	Liabilities N'000	Net N'000
Insurance contract issued						
General Accident	-	308,390	308,390	-	291,429	291,429
Agriculture	-	531,066	531,066	-	563,213	563,213
Aviation	-	262,482	262,482	-	167,507	167,507
Bond	-	60,959	60,959	-	3,374	3,374
Engineering	-	607,859	607,859	-	231,569	231,569
Fire	-	792,862	792,862	-	699,501	699,501
Marine	-	329,468	329,468	-	93,203	93,203
Motor	-	861,507	861,507	-	382,691	382,691
Oil & Gas	-	786,772	786,772	-	784,739	784,739
	-	4,541,366	4,541,366	-	3,217,225	3,217,225

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Reinsurance contracts held

General Accident	(106,776)	-	(106,776)	(94,263)	-	(94,263)
Agriculture	(299,384)	-	(299,384)	(308,927)	-	(308,927)
Aviation	(140,595)	-	(140,595)	(17,099)	-	(17,099)
Bond	(44,400)	-	(44,400)	(5,177)	-	(5,177)
Engineering	(297,161)	-	(297,161)	(75,014)	-	(75,014)
Fire	(217,806)	-	(217,806)	(160,339)	-	(160,339)
Marine	(203,516)	-	(203,516)	(56,066)	-	(56,066)
Motor	(266,341)	-	(266,341)	(24,617)	-	(24,617)
Oil & Gas	(71,879)	-	(71,879)	(70,560)	-	(70,560)
	(1,647,858)	-	(1,647,858)	(812,062)	-	(812,062)

The breakdown of groups of insurance 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:

18 Company

	2023			2022		
	Asset ₦'000	Liabilities ₦'000	Net ₦'000	Asset ₦'000	Liabilities ₦'000	Net ₦'000
Insurance contract issued						
General Accident	-	308,390	308,390	-	291,429	291,429
Agriculture	-	531,066	531,066	-	563,213	563,213
Aviation	-	262,482	262,482	-	167,507	167,507
Bond	-	60,959	60,959	-	3,374	3,374
Engineering	-	607,859	607,859	-	231,569	231,569
Fire	-	792,862	792,862	-	699,501	699,501
Marine	-	329,468	329,468	-	93,203	93,203
Motor	-	861,507	861,507	-	382,691	382,691
Oil & Gas	-	786,772	786,772	-	784,739	784,739
	-	4,539,202	4,539,202	-	3,217,225	3,217,225
Reinsurance contracts held						
General Accident	(106,776)	-	(106,776)	(94,263)	-	(94,263)
Agriculture	(299,384)	-	(299,384)	(308,927)	-	(308,927)
Aviation	(140,595)	-	(140,595)	(17,099)	-	(17,099)
Bond	(44,400)	-	(44,400)	(5,177)	-	(5,177)
Engineering	(297,161)	-	(297,161)	(75,014)	-	(75,014)
Fire	(217,806)	-	(217,806)	(160,339)	-	(160,339)
Marine	(203,516)	-	(203,516)	(56,066)	-	(56,066)
Motor	(266,341)	-	(266,341)	(24,617)	-	(24,617)
Oil & Gas	(71,879)	-	(71,879)	(70,560)	-	(70,560)
	(1,647,858)	-	(1,647,858)	(812,062)	-	(812,062)

The subsequent individual portfolio roll forward for insurance contract liabilities and reinsurance contract assets represents both group and company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

Group & Company

2023

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225
Insurance revenue	(7,103,516)				(7,103,516)
Insurance service expense					
Incurred claims and other expenses	-	-	3,100,295	-	3,100,295
Amortisation of insurance acquisition cash flows	1,778,761	-	-	-	1,778,761
Changes related to future service	-	539,897	-	84,671	624,568
Changes related to past service	-	-	(15,470)	-	(15,470)
Total Insurance service expenses	1,778,761	539,897	3,084,825	-	5,488,154
Insurance service result	(5,324,755)	539,897	3,084,825	84,671	(1,615,362)
Insurance finance expenses			239,390	-	239,390
Total change in comprehensive income	(5,324,755)	539,897	3,324,215	84,671	(1,375,972)
Cashflows					
Premiums received	7,291,207	-	-	-	7,291,207
Claims and expenses paid	-	-	(3,232,155)	-	(3,232,155)
Acquisition costs paid	(1,361,103)	-	-	-	(1,361,103)
	5,930,104	-	(3,232,155)	-	2,697,949
Closing insurance contract liabilities	1,816,536	555,753	-	1,781,745	4,539,202
Closing insurance contract assets	-	-	-	-	-
Net closing balance	1,816,536	555,753	1,781,745	385,168	4,539,202

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred 18 claims

Group & Company

2022

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,846,256	13,431	1,999,783	155,673	4,015,143
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,846,256	13,431	1,999,783	155,673	4,015,143
Insurance revenue	(5,048,008)				(5,048,008)
Insurance service expense					
Incurred claims and other expenses			1,031,411	144,824	1,176,235
Amortisation of insurance acquisition cash flows	867,998				867,998
Changes related to future service		2,425	-	-	2,425
Changes related to past service	101,318	-	156,967	-	258,285
Total Insurance service expenses	969,316	2,425	1,188,378	144,824	2,304,943
Investment components	-	-	-	-	-
Insurance service result	(4,078,692)	2,425	1,188,378	144,824	(2,743,065)
Insurance finance expenses			119,034	-	119,034
Total change in comprehensive income	(4,078,692)	2,425	1,307,412	144,824	(2,624,031)
Cashflows					
Premiums received	4,369,573	-	-	-	4,369,573
Claims and expenses paid	-	-	(1,617,510)	-	(1,617,510)
Acquisition costs paid	(925,950)		-	-	(925,950)
	3,443,623	-	(1,617,510)	-	1,826,113
Closing insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225
Closing insurance contract assets	-	-	-	-	-
Net closing balance	1,211,187	15,856	1,689,685	300,497	3,217,225

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable 18 on incurred claims arising from business ceded to reinsurers is disclosed in the table below:

	2023					
	Asset for remaining coverage		Amount recoverable on Incurred Claims			
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total	
	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening re-insurance contract assets	216,684	3,051	570,698	21,629	812,062	
Opening re-insurance contract liabilities	-	-	-	-	-	
Net re-insurance contract assets	216,684	3,051	570,698	21,629	812,062	
An allocation of reinsurance premiums	(2,348,864)	-	-	-	(2,348,864)	
Amounts recoverable from reinsurers for incurred claims	-	(611)	498,625	17,749	515,763	
Amounts recoverable for incurred claims and other expenses	-	-	555,394	-	555,394	
Changes to amounts recoverable for incurred claims	-	(611)	(56,769)	17,749	(39,631)	
Reinsurance finance income	-	-	83,531	-	83,531	
Total change in comprehensive income	(2,348,864)	(611)	582,156	17,749	(1,749,570)	
Reinsurance Investment components	-	-	-	-	-	
Net income or expense from reinsurance	(2,348,864)	(611)	582,156	17,749	(1,749,570)	
Cashflows						
Premiums and similar expense paid	3,003,618	-	-	-	3,003,618	
Amounts received	-	-	(418,253)	-	(418,253)	
Acquisition costs paid	-	-	-	-	-	
	3,003,618	-	(418,253)	-	2,585,365	
Closing re-insurance contract assets	871,438	2,440	734,601	39,379	1,647,858	
Closing re-insurance contract liabilities	-	-	-	-	-	
Net closing balance	871,438	2,440	734,601	39,379	1,647,858	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable 18 on incurred claims arising from business ceded to reinsurers is disclosed in the table below:

2022					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	244,352	3,051	753,432	51,171	1,052,006
Opening re-insurance contract liabilities	-	-	-	-	-
Net re-insurance contract assets	244,352	3,051	753,432	51,171	1,052,006
An allocation of reinsurance premiums	(2,053,878)	-	-	-	(2,053,878)
Amounts recoverable from reinsurers for incurred claims	-	-	313,088	(29,541)	283,547
Amounts recoverable for incurred claims and other expenses	-	-	327,900	66,120	394,020
Changes to amounts recoverable for incurred claims	-	-	(14,812)	(95,661)	(110,473)
Reinsurance finance income	-	-	30,117	-	30,117
Total change in comprehensive income	(2,053,878)	-	343,205	(29,541)	(1,740,214)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance	(2,053,878)	-	343,205	(29,541)	(1,740,214)
Cashflows					
Premiums and similar expense paid	2,026,210	-	-	-	2,026,210
Amounts received	-	-	(525,940)	-	(525,940)
	2,026,210	-	(525,940)	-	1,500,270
Closing re-insurance contract assets	216,684	3,051	570,698	21,629	812,062
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	216,684	3,051	570,698	21,629	812,062

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18a Reconciliation of LFRC and LIC - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
	₦'000	₦'000	₦'000	Risk Adjustment ₦'000	₦'000
Opening insurance contract liabilities	144,071	1,845	201,030	35,744	382,691
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	144,071	1,845	201,030	35,744	382,691
Insurance revenue	(1,345,804)				(1,345,804)
Insurance service expense					
Incurred claims and other expenses			1,205,930		1,205,930
Amortisation of insurance acquisition cash flows	691,889				691,889
Changes related to future service			210,005	38,653	248,658
Changes related to past service		(6,017)	2,164		(3,853)
Total Insurance service expenses	691,889	(6,017)	1,418,099	-	2,142,623
Insurance service result	(653,915)	(6,017)	1,418,099	38,653	796,819
Insurance finance expenses			93,116	-	93,116
Total change in comprehensive income	(653,915)	(6,017)	1,511,215	38,653	889,935
Cashflows					
Premiums received	1,375,532				1,375,532
Claims and expenses paid			(1,257,219)		(1,257,219)
Acquisition costs paid	(529,432)				(529,432)
	846,100	-	(1,257,219)	-	(411,119)
Closing insurance contract liabilities	336,257	(4,173)	455,026	74,397	861,507
Closing insurance contract assets	-	-	-	-	-
Net closing balance	336,257	(4,173)	455,026	74,397	861,507

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

2022

18a Reconciliation of LFRC and LIC - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	T total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	219,613	1,598	237,875	18,517	477,603
Opening insurance contract assets	-	-		-	
Net Insurance contract liabilities	219,613	1,598	237,875	18,517	477,603
Insurance revenue	(600,463)				(600,463)
Insurance service expense					
Incurred claims and other expenses			122,687	17,227	139,914
Amortisation of insurance acquisition cash flows	103,249				103,249
Changes related to future service			288		288
Changes related to past service	12,052	247	18,424		30,723
Total Insurance service expenses	115,301	247	141,400	17,227	274,174
Investment components	-	-	-	-	-
Insurance service result	(485,162)	247	141,400	17,227	(326,289)
Insurance finance expenses			14,159	-	14,159
Total change in comprehensive income	(485,162)	247	155,559	17,227	(312,130)
Cashflows					
Premiums received	519,763				519,763
Claims and expenses paid			(192,404)		(192,404)
Acquisition costs paid	(110,142)				(110,142)
	409,621	-	(192,404)	-	217,217
Closing insurance contract liabilities	144,071	1,845	201,030	35,744	382,691
Closing insurance contract assets	-	-	-	-	-
Net closing balance	144,071	1,845	201,030	35,744	382,691

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18b Reconciliation of LFRC and LIC - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	109,714	1,405	153,090	27,220	291,429
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	109,714	1,405	153,090	27,220	291,429
Insurance revenue	(127,720)				(127,720)
Insurance service expense					
Incurred claims and other expenses			37,088		37,088
Amortisation of insurance acquisition cash flows	21,279				21,279
Changes related to future service			6,459	901	7,360
Changes related to past service		(185)			(185)
Total Insurance service expenses	21,279	(185)	43,547	-	65,542
Insurance service result	(106,441)	(185)	43,547	901	(62,178)
Insurance finance expenses			2,864	-	2,864
Total change in comprehensive income	(106,441)	(185)	46,411	901	(59,314)
Cashflows					
Premiums received	131,224				131,224
Claims and expenses paid			(38,666)		(38,666)
Acquisition costs paid	(16,283)				(16,283)
	114,941	-	(38,666)	-	76,276
Closing insurance contract liabilities	118,214	1,220	160,835	28,121	308,390
Closing insurance contract assets	-	-	-	-	-
Net closing balance	118,214	1,220	160,835	28,121	308,390

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

2022

18b Reconciliation of LFRC and LIC - General Accident

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	167,241	1,217	181,148	14,101	363,708
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	167,241	1,217	181,148	14,101	363,708
Insurance revenue	(457,268)				(457,268)
Insurance service expense					
Incurred claims and other expenses			93,429	13,119	106,548
Amortisation of insurance acquisition cash flows	78,627				78,627
Changes related to future service			220		220
Changes related to past service	9,178	188	14,031		23,396
Total Insurance service expenses	87,804	188	107,679	13,119	208,791
Insurance service result	(369,464)	188	107,679	13,119	(248,478)
Insurance finance expenses			10,783	-	10,783
Total change in comprehensive income	(369,464)	188	118,462	13,119	(237,695)
Cashflows					
Premiums received	395,813				395,813
Claims and expenses paid			(146,520)		(146,520)
Acquisition costs paid	(83,876)				(83,876)
	311,937	-	(146,520)	-	165,417
Closing insurance contract liabilities	109,714	1,405	153,090	27,220	291,429
Closing insurance contract assets	-	-	-	-	-
Net closing balance	109,714	1,405	153,090	27,220	291,429

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18c Reconciliation of LFRC and LIC - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	263,341	3,372	367,453	65,335	699,501
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	263,341	3,372	367,453	65,335	699,501
Insurance revenue	(468,458)				(468,458)
Insurance service expense					
Incurred claims and other expenses			221,882		221,882
Amortisation of insurance acquisition cash flows	127,302				127,302
Changes related to future service			38,639	5,390	44,029
Changes related to past service		(1,107)			(1,107)
Total Insurance service expenses	127,302	(1,107)	260,521	-	392,106
Insurance service result	(341,156)	(1,107)	260,521	5,390	(76,352)
Insurance finance expenses			17,133	-	17,133
Total change in comprehensive income	(341,156)	(1,107)	277,654	5,390	(59,219)
Cashflows					
Premiums received	481,310				481,310
Claims and expenses paid			(231,319)		(231,319)
Acquisition costs paid	(97,411)				(97,411)
	383,899	-	(231,319)	-	152,580
Closing insurance contract liabilities	306,084	2,265	413,789	70,725	792,862
Closing insurance contract assets	-	-	-	-	-
Net closing balance	306,084	2,265	413,789	70,725	792,862

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

2022

18c Reconciliation of LFRC and LIC - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
	₦'000	₦'000	₦'000	Risk Adjustment ₦'000	₦'000
Opening insurance contract liabilities	401,420	2,920	434,801	33,847	872,988
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	401,420	2,920	434,801	33,847	872,988
Insurance revenue	(1,097,557)				(1,097,557)
Insurance service expense					
Incurred claims and other expenses			224,253	31,488	255,742
Amortisation of insurance acquisition cash flows	188,723				188,723
Changes related to future service			527		527
Changes related to past service	22,029	452	33,677		56,157
Total Insurance service expenses	210,752	452	258,457	31,488	501,150
Insurance service result	(886,805)	452	258,457	31,488	(596,408)
Insurance finance expenses			25,881	-	25,881
Total change in comprehensive income	(886,805)	452	284,338	31,488	(570,527)
Cashflows					
Premiums received	950,049				950,049
Claims and expenses paid			(351,685)		(351,685)
Acquisition costs paid	(201,324)				(201,324)
	748,726	-	(351,685)	-	397,041
Closing insurance contract liabilities	263,341	3,372	367,453	65,335	699,501
Closing insurance contract assets	-	-	-	-	-
Net closing balance	263,341	3,372	367,453	65,335	699,501

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18d Reconciliation of LFRC and LIC - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	87,178	1,116	121,645	21,629	231,569
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	87,178	1,116	121,645	21,629	231,569
Insurance revenue	(1,693,304)				(1,693,304)
Insurance service expense					
Incurred claims and other expenses			909,021		909,021
Amortisation of insurance acquisition cash flows	521,541				521,541
Changes related to future service			158,300	22,082	180,383
Changes related to past service		(4,536)			(4,536)
Total Insurance service expenses	521,541	(4,536)	1,067,322	-	1,606,409
Insurance service result	(1,171,763)	(4,536)	1,067,322	22,082	(86,895)
Insurance finance expenses			70,190	-	70,190
Total change in comprehensive income	(1,171,763)	(4,536)	1,137,512	22,082	(16,705)
Cashflows					
Premiums received	1,739,760				1,739,760
Claims and expenses paid			(947,683)		(947,683)
Acquisition costs paid	(399,082)				(399,082)
	1,340,678	-	(947,683)	-	392,995
Closing insurance contract liabilities	256,094	(3,420)	311,473	43,711	607,859
Closing insurance contract assets	-	-	-	-	-
Net closing balance	256,094	(3,420)	311,473	43,711	607,859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and 18 the liability for incurred claims

2022

18d Reconciliation of LFRC and LIC - Engineering

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	132,889	967	143,940	11,205	289,001
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	132,889	967	143,940	11,205	289,001
Insurance revenue	(363,344)				(363,344)
Insurance service expense					
Incurred claims and other expenses			74,239	10,424	84,663
Amortisation of insurance acquisition cash flows	62,477				62,477
Changes related to future service			175		175
Changes related to past service	7,293	149	11,149		18,591
Total Insurance service expenses	69,769	149	85,562	10,424	165,905
Investment components	-	-	-	-	-
Insurance service result	(293,575)	149	85,562	10,424	(197,440)
Insurance finance expenses			8,568	-	8,568
Total change in comprehensive income	(293,575)	149	94,130	10,424	(188,872)
Cashflows					
Premiums received	314,512				314,512
Claims and expenses paid			(116,425)		(116,425)
Acquisition costs paid	(66,648)				(66,648)
	247,864	-	(116,425)	-	131,439
Closing insurance contract liabilities	87,178	1,116	121,645	21,629	231,569
Closing insurance contract assets	-	-	-	-	-
Net closing balance	87,178	1,116	121,645	21,629	231,569

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18e Reconciliation of LFRC and LIC - Marine

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	35,088	449	48,960	8,705	93,203
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	35,088	449	48,960	8,705	93,203
Insurance revenue	(1,227,041)				(1,227,041)
Insurance service expense					
Incurred claims and other expenses			558,368		558,368
Amortisation of insurance acquisition cash flows	320,358				320,358
Changes related to future service			97,236	13,564	110,800
Changes related to past service		(2,786)			(2,786)
Total Insurance service expenses	320,358	(2,786)	655,604	-	986,740
Insurance service result	(906,683)	(2,786)	655,604	13,564	(240,301)
Insurance finance expenses			43,115	-	43,115
Total change in comprehensive income	(906,683)	(2,786)	698,719	13,564	(197,187)
Cashflows					
Premiums received	1,260,705				1,260,705
Claims and expenses paid			(582,116)		(582,116)
Acquisition costs paid	(245,137)				(245,137)
	1,015,568	-	(582,116)	-	433,452
Closing insurance contract liabilities	143,973	(2,337)	165,563	22,269	329,468
Closing insurance contract assets	-	-	-	-	-
Net closing balance	143,973	(2,337)	165,563	22,269	329,468

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and 18 the liability for incurred claims

2022

18e Reconciliation of LFRC and LIC - Marine

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	T total
	N'000	N'000	N'000	N'000	N'000
Opening insurance contract liabilities	53,486	389	57,934	4,510	116,319
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	53,486	389	57,934	4,510	116,319
Insurance revenue	(146,241)				(146,241)
Insurance service expense					
Incurred claims and other expenses			29,880	4,196	34,076
Amortisation of insurance acquisition cash flows	25,146				25,146
Changes related to future service			70		70
Changes related to past service	2,935	60	4,487		7,483
Total Insurance service expenses	28,081	60	34,437	4,196	66,774
Insurance service result	(118,160)	60	34,437	4,196	(79,467)
Insurance finance expenses			3,448	-	3,448
Total change in comprehensive income	(118,160)	60	37,886	4,196	(76,018)
Cashflows					
Premiums received	126,587				126,587
Claims and expenses paid			(46,859)		(46,859)
Acquisition costs paid	(26,825)				(26,825)
	99,762	-	(46,859)	-	52,902
Closing insurance contract liabilities	35,088	449	48,960	8,705	93,203
Closing insurance contract assets	-	-	-	-	-
Net closing balance	35,088	449	48,960	8,705	93,203

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18f Reconciliation of LFRC and LIC - Oil & Gas

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	295,430	3,783	412,229	73,297	784,739
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	295,430	3,783	412,229	73,297	784,739
Insurance revenue	(11,573)				(11,573)
Insurance service expense					
Incurred claims and other expenses			4,730		4,730
Amortisation of insurance acquisition cash flows	2,714				2,714
Changes related to future service			824	115	939
Changes related to past service		(24)			(24)
Total Insurance service expenses	2,714	(24)	5,554	-	8,359
Insurance service result	(8,859)	(24)	5,554	115	(3,214)
Insurance finance expenses			365	-	365
Total change in comprehensive income	(8,859)	(24)	5,919	115	(2,849)
Cashflows					
Premiums received	11,891				11,891
Claims and expenses paid			(4,931)		(4,931)
Acquisition costs paid	(2,077)				(2,077)
	9,814	-	(4,931)	-	4,883
Closing insurance contract liabilities	296,385	3,759	413,217	73,411	786,772
Closing insurance contract assets	-	-	-	-	-
Net closing balance	296,385	3,759	413,217	73,411	786,772

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and 18 the liability for incurred claims

2022

18f Reconciliation of LFRC and LIC - Oil & Gas

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows		Total
			Risk Adjustment		
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	450,335	3,276	487,783	37,971	979,365
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	450,335	3,276	487,783	37,971	979,365
Insurance revenue	(1,231,299)				(1,231,299)
Insurance service expense					
Incurred claims and other expenses			251,580	35,325	286,905
Amortisation of insurance acquisition cash flows	211,720				211,720
Changes related to future service			592		592
Changes related to past service	24,713	507	37,780		63,000
Total Insurance service expenses	236,434	507	289,952	35,325	562,217
Investment components	-	-	-	-	-
Insurance service result	(994,866)	507	289,952	35,325	(669,083)
Insurance finance expenses			29,035	-	29,035
Total change in comprehensive income	(994,866)	507	318,986	35,325	(640,048)
Cashflows					
Premiums received	1,065,817				1,065,817
Claims and expenses paid			(394,540)		(394,540)
Acquisition costs paid	(225,856)				(225,856)
	839,961	-	(394,540)	-	445,422
Closing insurance contract liabilities	295,430	3,783	412,229	73,297	784,739
Closing insurance contract assets	-	-	-	-	-
Net closing balance	295,430	3,783	412,229	73,297	784,739

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18g Reconciliation of LFRC and LIC - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	T total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	1,270	16	1,772	315	3,374
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,270	16	1,772	315	3,374
Insurance revenue	(366,591)				(366,591)
Insurance service expense					
Incurred claims and other expenses			130,987		130,987
Amortisation of insurance acquisition cash flows	75,152				75,152
Changes related to future service			22,811	3,182	25,993
Changes related to past service		(654)			(654)
Total Insurance service expenses	75,152	(654)	153,798	-	231,479
Insurance service result	(291,439)	(654)	153,798	3,182	(135,112)
Insurance finance expenses			10,114	-	10,114
Total change in comprehensive income	(291,439)	(654)	163,912	3,182	(124,998)
Cashflows					
Premiums received	376,648				376,648
Claims and expenses paid			(136,558)		(136,558)
Acquisition costs paid	(57,506)				(57,506)
	319,142	-	(136,558)	-	182,584
Closing insurance contract liabilities	28,974	(637)	29,126	3,497	60,959
Closing insurance contract assets	-	-	-	-	-
Net closing balance	28,974	(637)	29,126	3,497	60,959

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

2022

18g Reconciliation of LFRC and LIC - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	1,936	14	2,097	163	4,210
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	1,936	14	2,097	163	4,210
Insurance revenue	(5,293)				(5,293)
Insurance service expense					
Incurred claims and other expenses			1,082	152	1,233
Amortisation of insurance acquisition cash flows	910				910
Changes related to future service				3	3
Changes related to past service	106	2	162		271
Total Insurance service expenses	1,016	2	1,247	152	2,417
Insurance service result	(4,277)	2	1,247	152	(2,876)
Insurance finance expenses			125	-	125
Total change in comprehensive income	(4,277)	2	1,371	152	(2,752)
Cashflows					
Premiums received	4,582				4,582
Claims and expenses paid			(1,696)		(1,696)
Acquisition costs paid	(971)				(971)
	3,611	-	(1,696)	-	1,915
Closing insurance contract liabilities	1,270	16	1,772	315	3,374
Closing insurance contract assets	-	-	-	-	-
Net closing balance	1,270	16	1,772	315	3,374

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18h Reconciliation of LFRC and LIC - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening insurance contract liabilities	63,061	807	87,993	15,646	167,507
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	63,061	807	87,993	15,646	167,507
Insurance revenue	(1,813,692)				(1,813,692)
Insurance service expense					
Incurred claims and other expenses			124,617		124,617
Amortisation of insurance acquisition cash flows	71,498				71,498
Changes related to future service			21,701	3,027	24,728
Changes related to past service		(622)			(622)
Total Insurance service expenses	71,498	(622)	146,318	-	220,221
Insurance service result	(1,742,194)	(622)	146,318	3,027	(1,593,471)
Insurance finance expenses			9,622	-	9,622
Total change in comprehensive income	(1,742,194)	(622)	155,940	3,027	(1,583,849)
Cashflows					
Premiums received	1,863,451				1,863,451
Claims and expenses paid			(129,917)		(129,917)
Acquisition costs paid	(54,710)				(54,710)
	1,808,741	-	(129,917)	-	1,678,824
Closing insurance contract liabilities	129,608	186	114,016	18,673	262,482
Closing insurance contract assets	-	-	-	-	-
Net closing balance	129,608	186	114,016	18,673	262,482

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

2022

18h Reconciliation of LFRC and LIC - Aviation

	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	96,126	699	104,120	8,105	209,051
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	96,126	699	104,120	8,105	209,051
Insurance revenue	(262,828)				(262,828)
Insurance service expense					
Incurred claims and other expenses			53,701	7,540	61,241
Amortisation of insurance acquisition cash flows	45,193				45,193
Changes related to future service			126		126
Changes related to past service	5,275	108	8,064		13,448
Total Insurance service expenses	50,468	108	61,892	7,540	120,008
Investment components	-	-	-	-	-
Insurance service result	(212,360)	108	61,892	7,540	(142,819)
Insurance finance expenses			6,198	-	6,198
Total change in comprehensive income	(212,360)	108	68,089	7,540	(136,622)
Cashflows					
Premiums received	227,504				227,504
Claims and expenses paid			(84,217)		(84,217)
Acquisition costs paid	(48,210)				(48,210)
	179,294	-	(84,217)	-	95,078
Closing insurance contract liabilities	63,061	807	87,993	15,646	167,507
Closing insurance contract assets	-	-	-	-	-
Net closing balance	63,061	807	87,993	15,646	167,507

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

2023

18i Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component N'000	Loss component N'000	Estimate of present value of future cashflows N'000	Risk Adjustment N'000	Total N'000
Opening insurance contract liabilities	212,033	2,715	295,860	52,606	563,213
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	212,033	2,715	295,860	52,606	563,213
Insurance revenue	(49,333)				(49,333)
Insurance service expense					
Incurred claims and other expenses			(92,328)		(92,328)
Amortisation of insurance acquisition cash flows	(52,972)				(52,972)
Changes related to future service			(16,078)	(2,243)	(18,321)
Changes related to past service		461			461
Total Insurance service expenses	(52,972)	461	(108,406)	-	(163,160)
Insurance service result	(102,305)	461	(108,406)	(2,243)	(212,493)
Insurance finance expenses			(7,129)	-	(7,129)
Total change in comprehensive income	(102,305)	461	(115,535)	(2,243)	(219,622)
Cashflows					
Premiums received	50,686				50,686
Claims and expenses paid			96,255		96,255
Acquisition costs paid	40,534				40,534
	91,221	-	96,255	-	187,475
Closing insurance contract liabilities	200,948	3,176	276,580	50,363	531,066
Closing insurance contract assets	-	-	-	-	-
Net closing balance	200,948	3,176	276,580	50,363	531,066

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and 18 the liability for incurred claims

2022

18c Reconciliation of LFRC and LIC - Agriculture

	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Opening insurance contract liabilities	323,209	2,351	350,086	27,252	702,898
Opening insurance contract assets	-	-	-	-	-
Net Insurance contract liabilities	323,209	2,351	350,086	27,252	702,898
Insurance revenue	(883,714)				(883,714)
Insurance service expense					
Incurred claims and other expenses			180,561	25,353	205,914
Amortisation of insurance acquisition cash flows	151,953				151,953
Changes related to future service			425		425
Changes related to past service	17,737	364	27,115		45,216
Total Insurance service expenses	169,690	364	208,101	25,353	403,508
Investment components	-	-	-	-	-
Insurance service result	(714,023)	364	208,101	25,353	(480,206)
Insurance finance expenses			20,838	-	20,838
Total change in comprehensive income	(714,023)	364	228,939	25,353	(459,368)
Cashflows					
Premiums received	764,946				764,946
Claims and expenses paid			(283,164)		(283,164)
Acquisition costs paid	(162,099)				(162,099)
	602,847	-	(283,164)	-	319,683
Closing insurance contract liabilities	212,033	2,715	295,860	52,606	563,213
Closing insurance contract assets	-	-	-	-	-
Net closing balance	212,033	2,715	295,860	52,606	563,213

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2023					
18j Reconciliation of AFRC and ARC-Motor					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,267	267	14,510	8,572	24,617
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	1,267	267	14,510	8,572	24,617
An allocation of reinsurance premiums	(664,196)	-	-	-	(664,196)
Amounts recoverable from reinsurers for incurred claims	-	-	78,047	-	78,047
Amounts recoverable for incurred claims and other expenses	144,682	-	-	-	144,682
Changes to amounts recoverable for incurred claims	-	(1,527)	(84,332)	(2,833)	(88,692)
Net income or expense from reinsurance	(519,514)	(1,527)	(6,285)	(2,833)	(530,159)
Reinsurance finance income	-	-	24,158	-	24,158
Total change in comprehensive income	(519,514)	(1,527)	17,874	(2,833)	(506,001)
Cashflows					
Premiums and similar expense paid	954,018	-	-	-	954,018
Amounts received	(189,487)	-	(16,806)	-	(206,293)
Acquisition costs paid	-	-	-	-	-
	764,531	-	(16,806)	-	747,724
Closing re-insurance contract assets	246,284	(1,260)	15,578	5,739	266,341
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	246,284	(1,260)	15,578	5,739	266,341

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2022					
18j	Reconciliation of AFRC and ARC-Motor				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		Total
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	10,034	-	17,191	934	28,158
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	10,034	-	17,191	934	28,158
An allocation of reinsurance premiums	(242,104)	-	-	-	(242,104)
Amounts recoverable from reinsurers for incurred claims	-	-	35,310	-	35,310
Amounts recoverable for incurred claims and other expenses	25,418	-	-	-	25,418
Changes to amounts recoverable for incurred claims	9,632	267	(21,742)	7,639	(4,205)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance	(207,055)	267	13,567	7,639	(185,582)
Reinsurance finance income	-	-	3,582	-	3,582
Total change in comprehensive income	(207,055)	267	17,150	7,639	(181,999)
Cashflows					
Premiums and similar expense paid	223,706	-	-	-	223,706
Amounts received	(25,418)	-	(19,830)	-	(45,248)
	198,288	-	(19,830)	-	178,458
Closing re-insurance contract assets	1,267	267	14,510	8,572	24,617
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	1,267	267	14,510	8,572	24,617

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

18k	2023				
	Reconciliation of AFRC and ARC-General Accident				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	7,676	203	75,574	10,809	94,263
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	7,676	203	75,574	10,809	94,263
An allocation of reinsurance premiums	(34,382)	-	-	-	(34,382)
Amounts recoverable from reinsurers for incurred claims	-	-	4,040	-	4,040
Amounts recoverable for incurred claims and other expenses	7,490	-	-	-	7,490
Changes to amounts recoverable for incurred claims	-	(79)	(4,365)	(147)	(4,591)
Net income or expense from reinsurance	(26,893)	(79)	(325)	(147)	(27,444)
Reinsurance finance income	-	-	1,251	-	1,251
Total change in comprehensive income	(26,893)	(79)	925	(147)	(26,193)
Cashflows					
Premiums and similar expense paid	49,385	-	(870)	-	48,515
Amounts received	(9,809)	-	-	-	(9,809)
Acquisition costs paid	-	-	-	-	-
	39,576	-	(870)	-	38,706
Closing re-insurance contract assets	20,360	124	75,630	10,663	106,776
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	20,360	124	75,630	10,663	106,776

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2022					
18k Reconciliation of AFRC and ARC-General Accident					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	33,390	-	77,615	4,992	115,998
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	33,390	-	77,615	4,992	115,998
An allocation of reinsurance premiums	(203,407)				(203,407)
Amounts recoverable from reinsurers for incurred claims			26,889		26,889
Amounts recoverable for incurred claims and other expenses	19,356				19,356
Changes to amounts recoverable for incurred claims	7,335	203	(16,557)	5,817	(3,202)
Net income or expense from reinsurance	(176,716)	203	10,332	5,817	(160,364)
Reinsurance finance income			2,728		2,728
Total change in comprehensive income	(176,716)	203	13,060	5,817	(157,635)
Cashflows					
Premiums and similar expense paid	170,358		-		170,358
Amounts received	(19,356)		(15,101)		(34,458)
	151,002	-	(15,101)	-	135,900
Closing re-insurance contract assets	7,676	203	75,574	10,809	94,263
Closing re-insurance contract liabilities	-				-
Net closing balance	7,676	203	75,574	10,809	94,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2023					
Reconciliation of AFRC and ARC-Fire					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	10,929	2,799	123,637	22,973	160,339
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	10,929	2,799	123,637	22,973	160,339
An allocation of reinsurance premiums	(157,906)	-	-	-	(157,906)
Amounts recoverable from reinsurers for incurred claims	-	-	18,555	-	18,555
Amounts recoverable for incurred claims and other expenses	34,397	-	-	-	34,397
Changes to amounts recoverable for incurred claims	-	(363)	(20,049)	(673)	(21,086)
Net income or expense from reinsurance	(123,509)	(363)	(1,494)	(673)	(126,040)
Reinsurance finance income	-	-	5,743	-	5,743
Total change in comprehensive income	(123,509)	(363)	4,249	(673)	(120,296)
Cashflows					
Premiums and similar expense paid	226,808	-	(3,996)	-	222,812
Amounts received	(45,049)	-	-	-	(45,049)
	181,759	-	(3,996)	-	177,764
Closing re-insurance contract assets	69,179	2,436	123,891	22,300	217,806
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	69,179	2,436	123,891	22,300	217,806

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

	2022				
18l	Reconciliation of AFRC and ARC-Fire				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Opening re-insurance contract assets	97,650	2,311	128,536	9,011	237,508
Opening re-insurance contract liabilities	-				
Net Insurance contract liabilities	97,650	2,311	128,536	9,011	237,508
An allocation of reinsurance premiums	(513,227)				(513,227)
Amounts recoverable from reinsurers for incurred claims			64,541		64,541
Amounts recoverable for incurred claims and other expenses	46,460				46,460
Changes to amounts recoverable for incurred claims	17,605	488	(39,741)	13,962	(7,686)
Reinsurance Investment components					
Net income or expense from reinsurance	(449,162)	488	24,799	13,962	(409,912)
Reinsurance finance income			6,548		6,548
Total change in comprehensive income	(449,162)	488	31,348	13,962	(403,364)
Cashflows					
Premiums and similar expense paid	408,901		-		408,901
Amounts received	(46,460)		(36,247)		(82,707)
	362,441	-	(36,247)	-	326,194
Closing re-insurance contract assets	10,929	2,799	123,637	22,973	160,339
Closing re-insurance contract liabilities	-				
Net closing balance	10,929	2,799	123,637	22,973	160,339

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

18m	2023				
	Reconciliation of AFRC and ARC-Engineering				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	11,324	162	54,916	8,613	75,014
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	11,324	162	54,916	8,613	75,014
An allocation of reinsurance premiums	(610,401)	-	-	-	(610,401)
Amounts recoverable from reinsurers for incurred claims	-	-	71,726	-	71,726
Amounts recoverable for incurred claims and other expenses	132,964	-	-	-	132,964
Changes to amounts recoverable for incurred claims	-	(1,404)	(77,502)	(2,603)	(81,509)
Net income or expense from reinsurance	(477,437)	(1,404)	(5,776)	(2,603)	(487,220)
Reinsurance finance income	-	-	22,202	-	22,202
Total change in comprehensive income	(477,437)	(1,404)	16,426	(2,603)	(465,018)
Cashflows					
Premiums and similar expense paid	876,750	-	(15,445)	-	861,305
Amounts received	(174,140)	-	-	-	(174,140)
Acquisition costs paid	-	-	-	-	-
	702,610	-	(15,445)	-	687,164
Closing re-insurance contract assets	236,496	(1,242)	55,897	6,009	297,161
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	236,496	(1,242)	55,897	6,009	297,161

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

		2022				
18m	Reconciliation of AFRC and ARC-Engineering					
	Asset for remaining coverage		Amount recoverable on Incurred Claims			
	Excluding loss comonent	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total	
	₦'000	₦'000	₦'000	₦'000	₦'000	
Opening re-insurance contract assets	31,756	-	56,538	3,991	92,285	
Opening re-insurance contract liabilities	-					
Net Insurance contract liabilities	31,756	-	56,538	3,991	92,285	
An allocation of reinsurance premiums	(161,627)				(161,627)	
Amounts recoverable from reinsurers for incurred claims			21,366		21,366	
Amounts recoverable for incurred claims and other expenses	15,380				15,380	
Changes to amounts recoverable for incurred claims	5,828	162	(13,156)	4,622	(2,544)	
Net income or expense from reinsurance	(140,418)	162	8,210	4,622	(127,424)	
Reinsurance finance income			2,168		2,168	
Total change in comprehensive income	(140,418)	162	10,378	4,622	(125,257)	
Cashflows						
Premiums and similar expense paid	135,366		-		135,366	
Amounts received	(15,380)		(11,999)		(27,380)	
	119,985	-	(11,999)	-	107,986	
Closing re-insurance contract assets	11,324	162	54,916	8,613	75,014	
Closing re-insurance contract liabilities	-					
Net closing balance	11,324	162	54,916	8,613	75,014	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2023					
18n	Reconciliation of AFRC and ARC-Marine				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Opening re-insurance contract assets	30,708	65	22,251	3,041	56,066
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	30,708	65	22,251	3,041	56,066
An allocation of reinsurance premiums	(405,157)	-	-	-	(405,157)
Amounts recoverable from reinsurers for incurred claims	-	-	47,609	-	47,609
Amounts recoverable for incurred claims and other expenses	88,255	-	-	-	88,255
Changes to amounts recoverable for incurred claims	-	(932)	(51,442)	(1,728)	(54,102)
Net income or expense from reinsurance	(316,901)	(932)	(3,834)	(1,728)	(323,394)
Reinsurance finance income	-	-	14,736	-	14,736
Total change in comprehensive income	(316,901)	(932)	10,903	(1,728)	(308,658)
Cashflows					
Premiums and similar expense paid	581,946	-	(10,252)	-	571,695
Amounts received	(115,586)	-	-	-	(115,586)
	466,360	-	(10,252)	-	456,108
Closing re-insurance contract assets	180,167	(867)	22,902	1,313	203,516
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	180,167	(867)	22,902	1,313	203,516

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2022					
18n Reconciliation of AFRC and ARC-Marine					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	135,432	-	22,904	1,181	159,517
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	135,432	-	22,904	1,181	159,517
An allocation of reinsurance premiums	(161,552)				(161,552)
Amounts recoverable from reinsurers for incurred claims			8,600		8,600
Amounts recoverable for incurred claims and other expenses	6,190				6,190
Changes to amounts recoverable for incurred claims	2,346	65	(5,295)	1,860	(1,024)
Net income or expense from reinsurance	(153,016)	65	3,304	1,860	(147,786)
Reinsurance finance income			872		872
Total change in comprehensive income	(153,016)	65	4,177	1,860	(146,914)
Cashflows					
Premiums and similar expense paid	54,483		-		54,483
Amounts received	(6,190)		(4,830)		(11,020)
	48,292	-	(4,830)	-	43,463
Closing re-insurance contract assets	30,708	65	22,251	3,041	56,066
Closing re-insurance contract liabilities	-				-
Net closing balance	30,708	65	22,251	3,041	56,066

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

18o	2023				
	Reconciliation of AFRC and ARC-Oil & Gas				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	7,549	548	42,377	20,087	70,560
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	7,549	548	42,377	20,087	70,560
An allocation of reinsurance premiums	(3,623)	-	-	-	(3,623)
Amounts recoverable from reinsurers for incurred claims	-	-	426	-	426
Amounts recoverable for incurred claims and other expenses	789	-	-	-	789
Changes to amounts recoverable for incurred claims	-	(8)	(460)	(15)	(484)
Net income or expense from reinsurance	(2,834)	(8)	(34)	(15)	(2,892)
Reinsurance finance income	-	-	132	-	132
Total change in comprehensive income	(2,834)	(8)	97	(15)	(2,760)
Cashflows					
Premiums and similar expense paid	5,203	-	(92)	-	5,112
Amounts received	(1,033)	-	-	-	(1,033)
	4,170	-	(92)	-	4,078
Closing re-insurance contract assets	8,885	539	42,383	20,072	71,879
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	8,885	539	42,383	20,072	71,879

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2022					
Reconciliation of AFRC and ARC- Oil & Gas					
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	790	-	47,873	4,424	53,087
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	790	-	47,873	4,424	53,087
An allocation of reinsurance premiums	(471,720)	-	-	-	(471,720)
Amounts recoverable from reinsurers for incurred claims	-	-	72,405	-	72,405
Amounts recoverable for incurred claims and other expenses	52,121	-	-	-	52,121
Changes to amounts recoverable for incurred claims	19,751	548	(44,584)	15,663	(8,622)
Reinsurance Investment components	-	-	-	-	-
Net income or expense from reinsurance	(399,848)	548	27,821	15,663	(355,815)
Reinsurance finance income	-	-	7,346	-	7,346
Total change in comprehensive income	(399,848)	548	35,167	15,663	(348,469)
Cashflows					
Premiums and similar expense paid	458,728	-	-	-	458,728
Amounts received	(52,121)	-	(40,664)	-	(92,785)
	406,606	-	(40,664)	-	365,943
Closing re-insurance contract assets	7,549	548	42,377	20,087	70,560
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	7,549	548	42,377	20,087	70,560

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

	2023				
18p	Reconciliation of AFRC and ARC-Bond				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	886	743	3,222	327	5,177
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	886	743	3,222	327	5,177
An allocation of reinsurance premiums	(107,774)	-	-	-	(107,774)
Amounts recoverable from reinsurers for incurred claims	-	-	12,664	-	12,664
Amounts recoverable for incurred claims and other expenses	23,476	-	-	-	23,476
Changes to amounts recoverable for incurred claims	-	(248)	(13,684)	(460)	(14,391)
Net income or expense from reinsurance	(84,297)	(248)	(1,020)	(460)	(86,025)
Reinsurance finance income	-	-	3,920	-	3,920
Total change in comprehensive income	(84,297)	(248)	2,900	(460)	(82,105)
Cashflows					
Premiums and similar expense paid	154,801	-	(2,727)	-	152,074
Amounts received	(30,747)	-	-	-	(30,747)
Acquisition costs paid	-	-	-	-	-
	124,054	-	(2,727)	-	121,327
Closing re-insurance contract assets	40,643	495	3,395	(133)	44,400
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	40,643	495	3,395	(133)	44,400

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

	2022				
18p	Reconciliation of AFRC and ARC-Bond				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	(17)	740	3,245	260	4,229
Opening re-insurance contract liabilities	-				
Net Insurance contract liabilities	(17)	740	3,245	260	4,229
An allocation of reinsurance premiums	(1,155)				(1,155)
Amounts recoverable from reinsurers for incurred claims			311		311
Amounts recoverable for incurred claims and other expenses	224				224
Changes to amounts recoverable for incurred claims	85	2	(192)	67	(37)
Reinsurance Investment components					
Net income or expense from reinsurance	(846)	2	120	67	(656)
Reinsurance finance income			32		32
Total change in comprehensive income	(846)	2	151	67	(625)
Cashflows					
Premiums and similar expense paid	1,972		-		1,972
Amounts received	(224)		(175)		(399)
	1,748	-	(175)	-	1,573
Closing re-insurance contract assets	886	743	3,222	327	5,177
Closing re-insurance contract liabilities	-				
Net closing balance	886	743	3,222	327	5,177

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

18q	2023				
	Reconciliation of AFRC and ARC-Aviation				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	1,829	117	10,847	4,305	17,099
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	1,829	117	10,847	4,305	17,099
An allocation of reinsurance premiums	(339,337)	-	-	-	(339,337)
Amounts recoverable from reinsurers for incurred claims	-	-	39,874	-	39,874
Amounts recoverable for incurred claims and other expenses	73,918	-	-	-	73,918
Changes to amounts recoverable for incurred claims	-	(780)	(43,085)	(1,447)	(45,313)
Net income or expense from reinsurance	(265,419)	(780)	(3,211)	(1,447)	(270,857)
Reinsurance finance income	-	-	12,342	-	12,342
Total change in comprehensive income	(265,419)	(780)	9,132	(1,447)	(258,515)
Cashflows					
Premiums and similar expense paid	487,406	-	(8,586)	-	478,820
Amounts received	(96,809)	-	-	-	(96,809)
Acquisition costs paid	-	-	-	-	-
	390,598	-	(8,586)	-	382,011
Closing re-insurance contract assets	127,008	(663)	11,393	2,858	140,595
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	127,008	(663)	11,393	2,858	140,595

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

	2022				
18q	Reconciliation of AFRC and ARC-Aviation				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	11,309	-	12,020	962	24,291
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	11,309	-	12,020	962	24,291
An allocation of reinsurance premiums	(111,614)				(111,614)
Amounts recoverable from reinsurers for incurred claims			15,455		15,455
Amounts recoverable for incurred claims and other expenses	11,126				11,126
Changes to amounts recoverable for incurred claims	4,216	117	(9,517)	3,343	(1,840)
Reinsurance Investment components					
Net income or expense from reinsurance	(96,272)	117	5,939	3,343	(86,873)
Reinsurance finance income			1,568		1,568
Total change in comprehensive income	(96,272)	117	7,507	3,343	(85,305)
Cashflows					
Premiums and similar expense paid	97,918		-		97,918
Amounts received	(11,126)		(8,680)		(19,805)
	86,792	-	(8,680)	-	78,112
Closing re-insurance contract assets	1,829	117	10,847	4,305	17,099
Closing re-insurance contract liabilities	-				-
Net closing balance	1,829	117	10,847	4,305	17,099

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2023					
18r	Reconciliation of AFRC and ARC-Agriculture				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Opening re-insurance contract assets	841	393	271,036	36,659	308,928
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	841	393	271,036	36,659	308,928
An allocation of reinsurance premiums	26,221	-	-	-	26,221
Amounts recoverable from reinsurers for incurred claims	-	-	(3,081)	-	(3,081)
Amounts recoverable for incurred claims and other expenses	(5,712)	-	-	-	(5,712)
Changes to amounts recoverable for incurred claims	-	60	3,329	112	3,501
Net income or expense from reinsurance	20,510	60	248	112	20,930
Reinsurance finance income	-	-	(954)	-	(954)
Total change in comprehensive income	20,510	60	(706)	112	19,976
Cashflows					
Premiums and similar expense paid	(37,663)	-	663	-	(37,000)
Amounts received	7,481	-	-	-	7,481
	(30,182)	-	663	-	(29,519)
Closing re-insurance contract assets	(8,832)	453	270,993	36,770	299,385
Closing re-insurance contract liabilities	-	-	-	-	-
Net closing balance	(8,832)	453	270,993	36,770	299,385

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers is disclosed in the table 18 below:

2022					
18r	Reconciliation of AFRC and ARC-Agriculture				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		
	Excluding loss component	Loss component	Estimate of present value of future cashflows	Risk Adjustment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Opening re-insurance contract assets	36,536	-	274,980	25,417	336,933
Opening re-insurance contract liabilities	-	-	-	-	-
Net Insurance contract liabilities	36,536	-	274,980	25,417	336,933
An allocation of reinsurance premiums	(379,103)				(379,103)
Amounts recoverable from reinsurers for incurred claims			51,966		51,966
Amounts recoverable for incurred claims and other expenses	37,408				37,408
Changes to amounts recoverable for incurred claims	14,175	393	(31,998)	11,242	(6,188)
Reinsurance Investment components					
Net income or expense from reinsurance	(327,520)	393	19,968	11,242	(295,917)
Reinsurance finance income			5,272		5,272
Total change in comprehensive income	(327,520)	393	25,240	11,242	(290,645)
Cashflows					
Premiums and similar expense paid	329,233		-		329,233
Amounts received	(37,408)		(29,185)		(66,592)
	291,825	-	(29,185)	-	262,640
Closing re-insurance contract assets	841	393	271,036	36,659	308,928
Closing re-insurance contract liabilities	-				-
Net closing balance	841	393	271,036	36,659	308,928

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
19 Share capital Issued and fully paid At 31 December	6,933,333	6,933,333	6,933,333	6,933,333

13,866,666 units (2022 - 13,866,666 units) of shares at 50k each were issued and fully paid as at December 31, 2023. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
20 Share premium Balance at 31 December	663,600	663,600	663,600	663,600

Share premium comprises additional paid-in capital in excess of their per value.

21 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Balance at 1 January	1,434,593	1,303,505	1,434,593	1,303,505
Transfer from retained earnings	465,863	131,087	465,863	131,087
Balance at 31 December	1,900,456	1,434,593	1,900,456	1,434,593

22 Retained earnings

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

See statement of changes in equity for movement in retained earnings.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Balance at 1 January	(985,525)	(1,236,052)	(1,888,409)	(1,731,721)
Impact of transition to IFRS 17	-	(219,525)	-	(219,525)
Profit for the year	2,575,372	540,612	2,329,316	193,925
On disposal of property	64,629	63,160	64,629	-
Transfer to Contingency Reserve	(465,863)	(131,087)	(465,863)	(131,087)
Net actuarial gain /(loss) on retirement benefit obligations	1,266	(2,632)	-	-
Dividend paid to equity holders	(181,017)	-	-	-
Balance at 31 December	1,008,862	(985,525)	39,674	(1,888,409)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Land				
Balance at 1 January	1,109,795	984,613	1,109,796	984,796
Revaluation surplus	181,849	125,000	181,849	125,000
Balance at 31 December	1,291,644	1,109,613	1,291,645	1,109,796
Building				
Balance at 1 January	1,462,458	1,654,795	1,223,672	1,223,216
Revaluation surplus	1,070,758	456	1,070,758	456
Balance at 31 December	2,533,216	1,655,251	2,294,430	1,223,672
Disposal	(64,629)	(63,160)	(64,629)	-
Deferred tax impact	(125,261)		(125,261)	-
Transfer to NCI	-	(129,451)	-	-
Carrying amount	3,634,971	2,572,253	3,396,185	2,333,468

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
24 FVOCI reserve				
Balance at 1 January	(53,586)	(60,112)	(47,264)	(56,423)
Net actuarial gains on retirement benefit obligation	-		-	-
Fair value gain on FVOCI financial	286,937	9,159	286,937	9,159
	235,984	(50,953)	239,673	(47,264)

25 Earnings per share

Basic earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Profit after tax attributable to equity holders N'000	2,750,288	712,432	2,329,316	193,925
Weighed average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333
Basic earnings per share (kobo)	0.40	0.10	0.34	0.03

The Company does not have any instrument with a dilutive effect on its capital, Hence, the basic earnings per share is same as diluted earnings per share

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
26 Other contract liabilities				
Provisions for claims	7,075	7,341	-	-
Unearned/deferred premium	8,464	8,571	-	-
	15,539	15,912	-	-

Other contract liabilities includes the outstanding claims provision and the provision for unearned premium. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling. The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
27 Insurance revenue

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
ACCIDENT	127,720	414,187	127,720	414,187
AGRICULTURE	49,333	728,653	49,333	728,653
AVIATION	1,813,692	283,067	1,813,692	283,067
BOND	366,591	8,552	366,591	8,552
ENGINEERING	1,693,304	370,946	1,693,304	370,946
FIRE	468,458	948,621	468,458	948,621
MARINE	1,227,041	230,157	1,227,041	230,157
MOTOR	1,345,804	606,755	1,345,804	606,755
OIL & GAS	11,573	1,457,070	11,573	1,457,070
	<u>7,103,516</u>	<u>5,048,008</u>	<u>7,103,516</u>	<u>5,048,008</u>

The revenue was measured and released based on effluxion of time .

28 Insurance Service expense

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Incurred Claims	3,100,295	1,176,235	3,100,295	1,176,235
Amortization of insurance acquisition cashflows	1,778,761	867,998	1,778,761	867,998
Changes that relates to past service	624,568	2,425	624,568	2,425
Changes that relates to future service	(15,470)	258,285	(15,470)	258,285
	<u>5,488,154</u>	<u>2,304,943</u>	<u>5,488,154</u>	<u>2,304,943</u>

29 Net expense from reinsurance contract held

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Allocation Of Reinsurance Premiums	2,348,864	2,053,879	2,348,864	2,053,879
Amounts Recovered For Claims And Other Expenses	(515,763)	(283,548)	(515,763)	(283,548)
Net Expense from reinsurance contract held	<u>1,833,101</u>	<u>1,770,331</u>	<u>1,833,101</u>	<u>1,770,331</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
30 Finance expenses from insurance contracts issued				
Finance expense	239,390	119,034	239,390	119,034
31 Finance income from reinsurance contracts held				
Finance income	83,531	30,117	83,531	30,117
32 Investment income	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
32a Interest income calculated using effective interest rate				
Interest income on bonds	704,698	513,347	216,068	148,623
	704,698	513,347	216,068	148,623
32b Other investment income				
Interest income-FGN Treasury bills	-	5,474	-	5,474
Interest income -Short term deposits	452,948	372,525	239,714	186,625
Dividends from equity investments	13,210	5,556	194,225	50,769
Loss on disposal of investment property	-	-	-	-
RSA asset based fee	1,362,387	1,308,910	-	-
Interest income on Statutory deposit	48,245	32,195	21,353	14,887
	1,876,790	1,724,660	455,292	257,755
Total Investment income	2,581,488	2,238,007	671,360	406,378
Further analysed as follows:				
Attributable to policy holders fund	93,560	85,339	93,560	85,339
Attributable to shareholders funds.	2,487,928	2,152,668	577,800	321,038
	2,581,488	1,724,660	671,360	406,377
	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
33 Foreign Exchange gain				
Exchange gain (See Note 33a)	3,501,928	168,397	3,501,928	168,397
	3,501,928	168,397	3,501,928	168,397

Exchange gain/ loss relates to translation of transactions in foreign currency for outstanding claims, bank balances and foreign currency investments as at end of the year to naira.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
34 Other operating income				
Rental income	390	3,644	12,274	20,279
Profit on sale of PPE	99,036	24,830	85,825	12,064
Staff Mortgage loan-interest	1,907	1,723	1,325	1,718
RSA administrative fee income	411,493	135,688	-	-
PHI Premium	264,809	300,589	-	-
Admin charges- Formal sector	40,693	47,124	-	-
Sundry income (See Note 34a)	19,754	64,532	16,358	23,902
	<u>838,082</u>	<u>578,130</u>	<u>115,782</u>	<u>57,963</u>

Sundry income relates to income received in the current year as a result of transactions which were not earlier

34a accrued for due to insufficient information.

Credit loss expense/(reversal) on financial

35 asset	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Impairment (reversal)/charge on other asset (note 6)	(538)	(36)	(538)	(36)
Impairment charge/(reversal) on financial asset (note 4(iv))	17,764	(8,234)	8,567	(824)
Impairment charge/ (reversal) on placement (note 3.1)	6,608	(3,475)	(2,343)	(300)
	<u>23,834</u>	<u>(11,745)</u>	<u>5,686</u>	<u>(1,160)</u>

36 Other operating expenses

	N'000	N'000	N'000	N'000
Staff costs	1,358,585	1,017,913	415,544	375,291
Directors' allowances and expenses	493,283	477,832	278,222	300,847
Depreciation and amortisation (36.1)	275,030	244,832	152,488	106,339
Professional fees	158,687	66,513	143,628	55,525
Audit fees	35,635	30,952	21,000	13,903
Marketing and advertisement	224,062	355,695	116,823	161,577
Administrative expenses	381,175	326,179	161,244	100,889
Repairs and maintenance	43,510	39,716	9,220	5,921
Travel costs and allowances	85,020	28,384	29,172	19,904
NAICOM Levy	77,920	51,268	77,920	51,768
Donation	11,467	24,189	-	100
Electricity and power	62,621	37,888	43,161	30,260
Penalty charge (see note 42)	5,365	23,100	-	6,300
Subscription	9,173	17,687	9,173	15,409
Printing and stationeries	25,010	25,756	7,482	13,636
Information technology expenses	70,880	78,252	70,880	36,671
Pension protection fund levy	51,284	41,608	-	-
Rent and rate	43,842	28,338	-	-
PHI claims paid	169,525	177,372	-	-
loss on disposal of investment property	2,250	-	2,250	-
	<u>3,584,324</u>	<u>3,093,475</u>	<u>1,538,207</u>	<u>1,294,340</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

36.1 Breakdown of depreciation and amortisation

		Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Depreciation	10	205,055	208,972	92,511	84,599
Amortisation	12	69,975	35,859	59,977	21,739
		<u>275,030</u>	<u>244,832</u>	<u>152,488</u>	<u>106,338</u>

37 Income tax expense

Education tax		49,987	12,985	48,779	958
Company income tax		181,841	80,340	38,889	24,469
Police trust fund		157	44	121	11
Information technology levy		-	8,714	-	2,189
Deferred tax (write-back)/expense		-	(31,843)	-	-
		<u>231,985</u>	<u>70,240</u>	<u>87,788</u>	<u>27,627</u>

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
37b Reconciliation of effective tax rate				
Profit for the year before income tax	2,982,272	782,672	2,417,104	221,552
Tax at Nigerian's statutory income tax rate of 30%	894,682	234,802	725,131	66,466
Net Capital Allowance	-	(9,398)	-	(9,398)
Assessable loss for the year	378,170	-	378,170	-
Non-deductible expenses	575,414	517,685	96,266	59,896
Tax exempt income	(1,848,265)	(737,930)	(1,199,568)	(114,775)
Income tax	181,841	75,182	38,889	24,469
Education tax	49,987	12,985	48,779	958
Police Trust Fund	157	44	121	11
Information technology levy	-	8,714	-	-
Current year Deferred tax	-	(31,843)	-	-
	<u>231,985</u>	<u>70,240</u>	<u>87,788</u>	<u>27,627</u>
Profit for the year before income tax	2,982,272	782,672	2,417,104	221,552
Effective Tax Rate	8%	9%	4%	12%

38 Non-Controlling interest

The movement in non-controlling interest during the year is shown below:

	Group 2023 N'000	Group 2022 N'000
Balance, beginning of year	1,892,000	688,780
Share of profit for the period	174,916	171,820
Share of other comprehensive income(note 26.1)	-	(182)
Dividend Paid	(75,418)	(18,418)
Subsidiary recapitalization	-	1,050,000
	<u>1,991,597</u>	<u>1,892,000</u>

39 Proposed dividend

There was no proposed dividend during the year (2022: Nil)

40 Contingent liabilities

There were claims and litigations against the company as at 31 December, 2023, amounting to ₦4,633,519,059 (2022: ₦49,543,757.43). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

41 Contraventions

31 December 2023	Group	Company
NATURE OF CONTRAVENTIONS	N,000	N,000
Pencom penalty on KYC and single obligor limit	5,365	-
	<u>5,365</u>	<u>-</u>
31 December 2022	Group	Company
NATURE OF CONTRAVENTIONS	N,000	N,000
NAICOM penalty on single obligor limit	500	500
NGX penalty for late filing of 2021 Audited Financial Statements	4,800	4,800
NAICOM penalty for late renewal of Bancassurance License	1,000	1,000
Pencom penalty on KYC and single obligor limit	16,300	-
	<u>22,600</u>	<u>6,300</u>

42 Related Parties Transactions

Transactions between the company, and the subsidiaries also meet the definition of related party transactions where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. Details of transactions between the group and other related parties are disclosed below:

a

The Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor, Fire, and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's length.

	Relationship	Premium written	Claims paid
		N,000	N,000
Veritas Glanvills Pensions Limited	Subsidiary	20,567	1,313
Veritas Health Care Ltd	Subsidiary	1,779	-
Gold links insurance plc	Associates	-	-

Included in note 8 is the sum of N62.03 recoverable from related entities during the year under review. The breakdown and nature of transactions are included below:

b

	Relationship	Amount	Nature of transaction
		N,000	
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019.

c Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the company. It comprises executive and non-executive directors and senior management.

The summary of compensation of key management personnel for the year is as follows:

	2023	2022
Salaries (senior management and executive directors)	129,862	161,896
Total compensation to key management personnel	<u>129,862</u>	<u>161,896</u>
Directors cost (Non-Executive)	278,222	300,847
Salaries and wages (Executive)	40,024	55,579
Pension cost (Executive)	3,248	3,859
Total Directors cost	<u>321,494</u>	<u>360,285</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Compensation of key management personnel-continued

	2023	2022
	N,000	N,000
Remuneration of highest paid Director/Chairman	35,000	35,000
Remuneration of highest paid Director		

43 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

		2023	2022	2023	2022
		Number	Number	Number	Number
Below -	500000	-	-	-	-
500001 -	1500000	55	49	-	-
1500001 -	2500000	64	77	8	20
2500001 -	3500000	49	46	23	20
3500001 -	4500000	24	19	17	12
4500001 -	5500000	18	19	-	-
5500001 -	6500000	20	14	16	10
6500001 -	7500000	7	14	5	12
7500001 -	8500000	-	-	-	-
8500001 -	9500000	18	5	12	2
9500001 -	10500000	9	4	4	2
10500001 -	and above	14	10	8	8
		278	257	93	86

44 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 31 December 2023 were allocated as follows:

	Policy Holders	Shareholders' Funds	Total
	N'000	N'000	N'000
Cash and cash equivalents	1,861,564	2,856,351	4,718,745
Financial assets	-	3,708,326	3,708,326
Trade receivables	1,029,780	-	1,029,780
Reinsurance assets	1,647,858	-	1,647,858
Other receivables and prepayments	-	352,853	352,853
investment in subsidiaries	-	4,026,300	4,026,300
Intangible Asset	-	401,541	401,541
Property, Plant and Equipment	-	4,391,555	4,391,555
Statutory Deposits	-	355,000	355,000
Deferred tax Asset	-	21,745	21,745
Total assets	4,539,202	16,113,671	20,653,703
Insurance contract liabilities	4,539,202	-	4,539,202
Shareholders and other funds	-	16,114,501	16,114,501
Total funds	4,539,202	16,114,501	20,653,703
(Deficits) / Surplus	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

45 Capital Management**Finance Act 2021 – Part IX – Insurance Act**

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18 January 2022, amended the Finance Act, 2021. The Finance Act 2021 (Part IX – Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words “paid-up share capital”, with 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;

(a) in the case of a new company -

- (i) Government Bonds and Treasury Bills,
- (ii) Cash and Bank balances, and
- (iii) Cash and cash equivalents.

As an existing company, our capital requirement is as shown below:

	2023 N'000	2022 N'000
Share capital	6,933,333	6,933,333
Share premium	663,600	663,600
Retained Earnings	39,673	1,434,593
Contingency reserve	1,900,456	(1,888,409)
Excess of admissible assets over liabilities	9,062,167	6,162,653
Less amount of own shares held (Treasury shares)	-	-
Subordinated liabilities approved by NAICOM	-	-
Any other financial instrument approved by NAICOM	-	-
Capital Requirement	<u>9,062,167</u>	<u>6,162,653</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

46

SEGMENT REPORTING

Identification of reportable segments

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

The non-life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration

This reportable segment include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2011. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care
This reportable segment is a National Health Maintenance Organization (HMO) duly licenced and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets:	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Cash and cash equivalents	4,718,745	2,337,933	1,280,172	1,455,038	604,129	615,822			6,564,667	4,408,793
Financial assets	3,708,326	1,641,739	4,319,784	3,711,060					8,019,150	5,382,799
Trade receivable	1,029,780	738,347							1,029,780	738,347
Reinsurance assets	1,647,858	812,062							1,647,858	812,062
Other receivables and prepayment	352,853	197,154	396,877	270,262	89,538	68,016	(4,026,300)		826,508	535,433
Investment in subsidiaries	4,026,300								-	-
Investment Properties	-	45,000							-	45,000
Goodwill	-	-					316,884		316,884	316,884
Intangible assets	401,541	48,162	21,212	19,952					422,753	68,114
Property, Plant and Equipment	4,391,555	3,495,489	993,942	1,007,164	49,981	54,200			5,436,390	4,566,848
Statutory deposit	355,000	355,000							355,000	355,000
Deferred tax asset	21,745	21,745		39,109					60,854	60,854
Total Assets	20,653,703	13,718,931	6,991,987	6,502,585	743,648	738,038	(3,709,417)		24,679,643	17,280,135
Liabilities:										
Insurance contract liabilities	4,539,202	3,217,225							4,539,202	3,217,225
Other contract liabilities	-	-			15,539	15,910			15,539	15,912
Trade payables	2,105,972	548,733							2,105,972	548,733
Employees retirement benefit obligations	-	-			23,933	22,187			23,933	22,187
Provision and other payables	587,590	488,545	116,836	337,267	56,501	61,581			1,254,609	850,254
Income tax liabilities	80,876	34,807	16,986	57,831	2,816	16,228			187,033	109,064
Deferred tax liabilities	-	-	27,803		30,632	27,459			184,753	27,459
Equity	-	-							-	-
Issued and paid up share capital	6,933,333	6,933,333	5,000,000	5,000,000	429,075	429,075	(5,429,075)		6,933,333	6,933,333
Share premium	663,600	663,600			8,946	8,946	(8,946)		663,600	663,600
Statutory contingency reserves	1,900,456	1,434,593	237,352	197,153	181,178		(418,530)		1,900,456	1,434,593
Retained earnings	39,673	(1,886,409)	615,130	583,741	(4,973)	156,454	810,619		1,008,861	(985,525)
Other component of Equity										
Asset revaluation reserve	3,396,185	2,333,468	326,592	326,593			(87,807)		3,634,971	2,572,253
Fair value reserve	239,673	(47,264)					(6,322)		233,351	(30,953)
Non controlling interest(NCI)	-	-							1,991,997	1,892,000
	20,486,561	13,718,931	6,340,699	6,502,585	743,648	738,038	(3,034,231)		24,679,642	17,250,135
			Business Segment Information- Consolidated statement of Comprehensive income							
			Pension administrator		Healthcare		Consolidation adjustments		Group	
			2023	2022	2023	2022	2023	2022	2023	2022
			=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Insurance service result	(217,739)	972,734							(217,739)	972,734
Profit before tax	2,417,104	221,552	714,293	491,889	31,888	69,221	(181,015)	-	2,982,272	782,672
Profit after tax	2,329,316	193,925	577,817	467,940	24,188	50,567	(181,015)	-	2,750,287	712,432

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

47 Risk management framework

(a) 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:

- (i) To maintain the required level of stability of the Company thereby providing a degree of security to policy holders.
- (ii) To 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.
- (iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- (iv) To align the profile of assets and liabilities taking account of risks inherent in the business.
- (v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past quarter from previous quarters.

The table below shows the available capital resources as at 31 December:

	2023 N'000	2022 N'000
Total shareholders' funds	13,172,921	9,429,322
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	<u>10,172,921</u>	<u>6,429,322</u>

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (3 billion) whichever is higher.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

48 Solvency Margin

The solvency margin for the company as at 31 December is as follows:

		Inadmissible	31-Dec-23	31-Dec-22
	Total Assets	Assets	Admissible	Admissible
	N'000	N'000	Assets	Assets
			N'000	N'000
Cash and cash equivalents	4,718,745	643,926	4,074,819	1,754,009
FVTPL	113,615		113,615	68,090
Amortised Cost	3,161,226		3,161,226	1,481,075
FVTOCI	433,485		433,485	92,574
Trade receivable	1,029,780		1,029,780	738,347
Reinsurance assets*	1,647,858		1,647,858	728,481
Other receivables and prepayments	352,853	322,771	30,082	53,638
Investment in subsidiaries	4,026,300		4,026,300	4,026,300
Investment properties	-		-	30,000
Intangible assets - Software	401,541		401,541	48,161
Property, plant and equipment-(L&B)	4,279,454	3,279,454	1,000,000	1,015,000
Property, plant and equipment (Others)	112,101		112,101	105,680
Statutory deposits	355,000		355,000	355,000
Deferred tax	21,745	21,745	-	-
Total Admissible Assets	20,653,703	4,267,896	16,385,807	10,496,355
Insurance contract liabilities*	4,539,202	-	4,539,202	3261317
Trade payables	2,105,972	-	2,105,972	548733
Provision and other payables	597,590	-	597,590	488845
Income tax liabilities	80,876	-	80,876	34807
Deferred tax liabilities	157,143	157,143	-	-
Total Admissible liabilities	7,480,783	157,143	7,323,640	4,333,702
Solvency Margin			9,062,167	6,162,653
The higher of 15% Of Net premium or Minimum capital base	3,000,000		3,000,000	3,000,000
Excess			6,062,167	3,162,653
Solvency ratio			302%	205%

* The following items have been maintained in line with the signed solvency certificate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

49 Financial instruments - Fair values and risk management

Group

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023	Carrying amount					Fair value			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira						N'000	N'000	N'000	N'000
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	433,485	-	-	433,485
Fair value through OCI	113,615	-	433,485	-	-	113,615	-	-	113,615
Fair Value through Profit or Loss	113,615	-	-	-	-	547,100	-	-	547,100
Financial assets not measured at fair value									
Cash and cash equivalents	-	662,396	-	-	-	-	662,396	-	662,396
Trade Receivable*	-	1,029,780	-	-	-	-	1,029,780	-	1,029,780
Placements	-	5,902,271	-	-	-	-	5,902,271	-	5,902,271
Statutory deposit	-	355,000	-	-	-	-	355,000	-	355,000
	-	7,949,447	-	-	-	-	7,949,447	-	7,949,447
Financial liabilities not measured at fair value									
Other payables*	-	-	-	-	1,254,607	-	1,254,607	-	1,254,607
Trade payables*	-	-	-	-	2,105,972	-	2,105,972	-	2,105,972
	-	-	-	-	3,360,579	-	3,360,579	-	3,360,579

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial Instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Group

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022	Carrying amount					Fair value				
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total	
In thousands of naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Financial assets measured at fair value	-	-	92,575	-	-	92,575	-	-	92,575	
Fair value through OCI	68,090	-	-	-	-	68,090	-	-	68,090	
Fair Value through Profit or Loss	68,090	-	92,575	-	-	160,665	-	-	160,665	
Financial assets not measured at fair value	-	-	-	-	-	-	-	-	-	
Cash and cash equivalents	-	430,018	-	-	-	-	430,018	-	430,018	
Trade Receivable*	-	738,347	-	-	-	-	738,347	-	738,347	
Placements	-	3,978,775	-	-	-	-	3,978,775	-	3,978,775	
Statutory deposit	-	355,000	-	-	-	-	355,000	-	355,000	
Financial liabilities not measured at fair value	-	5,502,140	-	-	-	-	5,502,140	-	5,502,140	
Other payables*	-	-	-	-	850,252	-	850,252	-	850,252	
Trade payables*	-	-	-	-	548,733	-	548,733	-	548,733	
	-	-	-	-	1,398,984	-	1,398,984	-	1,398,984	

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial Instruments: Recognition and Measurement

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Company

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023	Carrying amount					Fair value			
	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of naira									
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	433,485	-	-	433,485	-	-	433,485
Fair Value through Profit or Loss	113,615	-	-	-	-	113,615	-	-	113,615
	113,615	-	433,485	-	-	547,100	-	-	547,100
Financial assets not measured at fair value									
Cash and cash equivalents	-	568,390	-	-	-	-	568,390	-	568,390
Trade Receivable*	-	1,029,780	-	-	-	-	1,029,780	-	1,029,780
Placements	-	4,150,355	-	-	-	-	4,150,355	-	4,150,355
Statutory deposit	-	355,000	-	-	-	-	355,000	-	355,000
	-	6,103,525	-	-	-	-	6,103,525	-	6,103,525
Financial liabilities not measured at fair value									
Other payables*	-	-	-	-	597,587	-	597,587	-	597,587
Trade payables*	-	-	-	-	2,105,972	-	2,105,972	-	2,105,972
	-	-	-	-	2,703,559	-	2,703,559	-	2,703,559

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial Instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Company

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022	Carrying amount					Fair value				
	In thousands of naira	Designated at fair value	Amortised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets measured at fair value										
Fair value through OCI		-	-	92,574	-	92,574	92,574	-	-	92,574
Fair Value through Profit or Loss		68,090	-	-	-	68,090	68,090	-	-	68,090
		68,090	-	92,574	-	160,664	160,664	-	-	160,664
Financial assets not measured at fair value										
Cash and cash equivalents		-	278,408	-	-	278,408	-	278,408	-	278,408
Trade Receivable*		-	738,347	-	-	738,347	-	738,347	-	738,347
Placements		-	2,059,525	-	-	2,059,525	-	2,059,525	-	2,059,525
Statutory deposit		-	355,000	-	-	355,000	-	355,000	-	355,000
		-	3,431,280	-	-	3,431,280	-	3,431,280	-	3,431,280
Financial liabilities not measured at fair value										
Other payables*		-	-	-	-	488,843	-	488,843	-	488,843
Trade payables*		-	-	-	-	548,733	-	548,733	-	548,733
		-	-	-	-	1,037,575	-	1,037,575	-	1,037,575

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial Instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management

The Company has exposure to the following risks arising from financial instruments

Credit risk

Liquidity risk

Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM) Frame work that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities. The carrying amount of financial assets represents the maximum credit exposure. In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

Veritas Kapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, Veritas Kapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

- a) Create, and manage credit risk in a manner that complies with all applicable laws and regulations.
 - b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
 - c) Utilize appropriate, accurate and timely tools to measure credit risk.
 - d) Set acceptable risk parameters.
 - e) Maintain acceptable levels of credit risk for existing individual credit exposures.
 - f) Maintain acceptable levels of overall credit risk for Veritas Kapital Assurance's Portfolio; and
 - g) Coordinate Credit Risk Management with the management of other risks inherent in Veritas Kapital Assurance's business activities
- Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

The Company's credit risk can be analysed as follows:

	2023	2022
	N'000	N'000
Reinsurance receivables (see note (a) below)	1,647,856	812,061
Cash and cash equivalents (see note (b) below)	6,564,667	4,408,793
Debt Instruments (see note (c) below)	7,472,050	5,192,133
Statutory deposit	355,000	355,000
	16,039,573	10,767,987

Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 31 December 2023 (2022: Nil).

Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

Armortized cost

The Company's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2023 (2022: Nil)

The Company did not have any debt securities that were past due but not impaired as at 31 December 2023 (2022: Nil)

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other receivables.

Collateral held and other credit enhancements, and their financial effect

The Company does not hold collateral or any other enhancements against any of its receivables as at 31 December 2023.

Trade receivables

The Company has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Company defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

- Direct default risk: risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the Company has a bilateral contract defaults on one or more obligations.
- Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
- Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to trade receivables

The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Company credit risk is constantly reviewed and approved during the Management Committee meetings. It also ensured that adequate provisions are taken in line with IFRS 9. Other credit risk management includes:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Company is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MC meetings.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of IFRS9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: "Provisions, contingent liabilities and contingent assets (IAS 37).

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment.

Staged Approach to the Determination of Expected Credit Losses

IFRS9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IFRS39 except for the portfolios of assets purchased or originated as credit impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

The Company does not originate or purchase credit impaired loans or receivables

Impairment Methodology

Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and EAD according to the formula set below:

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

ECL	=	PD	X	EAD	X	LGD
12 -month / lifetime Expected Credit Loss (ECL)		Probability of default		Exposure at default		Loss Given Default (after consideration of collaterals and recoveries)

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.

Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGDratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;
- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

Treatment of loans and other receivables

All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter-company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**(b)(ii) Credit risk - continued****Significant increase in credit risk, default and cure**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase credit risk.

Such event include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment**Debt instruments measured at amortised cost**

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal/Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

Internal rating grade	Moody's rating	2023			2022		
		12mECL R'000	LTECL R'000	Total R'000	12mECL R'000	LTECL R'000	Total R'000
Performing							
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	6,576,971	-	6,576,971	4,414,490	-	4,414,490
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		6,576,971	-	6,576,971	4,414,490	-	4,414,490
ECL		(12,304)	-	(12,304)	(5,696)	-	(5,696)
Total Net Amount		6,564,667	-	6,564,667	4,408,793	-	4,408,793
Amortised cost							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	7,524,321	-	7,524,321	5,226,639	-	5,224,197
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D	-	-	-	-	-	-
Total Gross Amount		7,524,321	-	7,524,321	5,226,639	-	5,226,639
ECL		(52,270)	-	(52,270)	(34,506)	-	(34,506)
Total Net Amount		7,472,050	-	7,472,050	5,192,133	-	5,192,133

As at 31 December 2023, the Group had no asset reposed as security against asset. The group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The company does not generally use the non cash collateral for its own operations.

As at 31 December 2023, the Company has not pledged any of its assets as collateral for any liability or payable balance (2022: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

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 realizing security (if any is held); or the financial asset is more than 90 days past due.

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

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

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes."

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b)(ii) Credit risk - continued

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. Changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default 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 the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

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 amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, 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. The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standards and Poor default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in Note 3 Summary of material accounting policies. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Contractual cash flows						
31 December 2023							
	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Cash and cash equivalents	3	6,564,667	6,564,667	-	-	-	-
Fair value through profit or loss	4a	113,615	-	-	-	113,615	-
Armortised Cost	4b	7,472,050	-	-	-	-	-
Fair Value through OCI	4c	433,485	-	-	-	433,485	-
Trade receivables	5	1,029,780	1,029,780	-	-	-	-
Other receivables	6	826,508	826,508	-	-	-	-
		16,440,105	8,420,955	-	-	547,100	-
Non-derivative financial liabilities							
Trade payables	14	2,105,972	2,105,972	-	-	-	-
Other payables	16	1,254,607	1,254,607	-	-	-	-
		3,360,579	3,360,579	-	-	-	-
Liquidity gap		13,079,526	5,060,376	-	-	547,100	-
Company							
31 December 2023				Contractual cash flows			
	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Cash and cash equivalents	3	4,718,745	4,718,745	-	-	-	-
Fair value through profit or loss	4a	113,615	-	-	-	113,615	-
Armortised Cost	4b	3,161,226	-	-	-	-	-
Fair Value through OCI	4c	433,485	-	-	-	433,485	-
Trade receivables	5	1,029,780	1,029,780	-	-	-	-
Other receivables	6	352,853	352,853	-	-	-	-
		9,809,704	6,101,378	-	-	547,100	-
Non-derivative financial liabilities							
Trade payables	14	2,105,972	2,105,972	-	-	-	-
Other payables	16	597,587	597,587	-	-	-	-
		2,703,559	2,703,559	-	-	-	-
Liquidity gap		7,106,145	3,397,819	-	-	547,100	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Contractual cash flows						
31 December 2022	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Cash and cash equivalents	3	4,718,745	4,718,745				
Fair value through profit or loss	4a	68,090				68,090	
Armoitised Cost	4b	5,192,133					
Fair Value through OCI	4c	92,575				92,575	
Trade receivables	5	738,347	738,347				
Other receivables	6	535,433	535,433				
		11,345,323	5,992,525	-	-	160,665	-
Non-derivative financial liabilities							
Trade payables	14	548,733	548,733				
Other payables	16	850,252	850,252				
		1,398,984	1,398,984	-	-	-	-
Liquidity gap		9,946,339	4,593,540	-	-	160,665	-
Company							
31 December 2022	Contractual cash flows						
	Note	Carrying amount	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Cash and cash equivalents	3	2,337,933	2,337,933				
Fair value through profit or loss	4a	68,090				68,090	
Armoitised Cost	4b	1,481,075					
Fair Value through OCI	4c	92,574				92,574	
Trade receivables	5	738,347	738,347				
Other receivables	6	197,154	197,154				
		4,915,173	3,273,434	-	-	160,664	-
Non-derivative financial liabilities							
Trade payables	14	548,733	548,733			-	-
Other payables	16	488,843	488,843			-	-
		1,037,575	1,037,575	-	-	-	-
Liquidity gap		3,877,598	2,235,859	-	-	160,664	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group	2023				2022			
	Current	Non-current	Total		Current	Non-current	Total	
Financial assets	-	-	-		-	-	-	
Reinsurance assets	1,647,856	-	1,647,856		812,061	-	812,061	
Trade debtors	1,029,780	-	1,029,780		738,347	-	738,347	
Deferred acquisition cost	-	-	-		-	-	-	
Other receivables and prepayments	826,508	-	826,508		535,433	-	535,433	
Statutory deposit	-	355,000	355,000		-	355,000	355,000	
Insurance contract liabilities	3,504,144	355,000	3,859,144		2,085,841	355,000	2,440,841	
Trade payables	4,539,202	-	4,539,202		3,217,225	-	3,217,225	
Other payables and accruals	2,105,972	-	2,105,972		548,733	-	548,733	
Current tax payable	1,254,607	-	1,254,607		850,252	-	850,252	
Deferred T ax	187,033	-	187,033		109,064	-	109,064	
Retirement benefit obligation	-	184,753	184,753		-	27,459	27,459	
	-	23,933	23,933		-	22,187	22,187	
Total liabilities	8,086,814	208,686	8,295,500		4,725,273	49,646	4,774,919	
Company	2023				2022			
Financial assets	-	-	-		-	-	-	
Reinsurance assets	1,647,856	-	1,647,856		812,061	-	812,061	
Trade debtors	1,029,780	-	1,029,780		738,347	-	738,347	
Deferred acquisition cost	-	-	-		-	-	-	
Other receivables and prepayments	352,853	-	352,853		197,154	-	197,154	
Statutory deposit	-	355,000	355,000		-	355,000	355,000	
Insurance contract liabilities	3,030,489	355,000	3,385,489		1,747,562	355,000	2,102,562	
Trade payables	4,539,202	-	4,539,202		3,217,225	-	3,217,225	
Other payables and accruals	2,105,972	-	2,105,972		548,733	-	548,733	
Current tax payable	597,587	-	597,587		488,843	-	488,843	
Deferred T ax	80,876	-	80,876		34,807	-	34,807	
Retirement benefit obligation	-	157,143	157,143		-	-	-	
	-	-	-		-	-	-	
Total liabilities	7,323,637	157,143	7,480,780		4,289,608	-	4,289,608	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and united states dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

In Thousands of	31 December 2023			31 December 2022		
	Carrying value	USD	NGN	Carrying value	USD	NGN
Cash and cash equivalent	6,564,667		6,564,667	4,408,793		4,408,793
Financial assets	-		-	-		-
Net statements of financial position exposure	6,564,667	-	6,564,667	4,408,793	-	4,408,793

The following significant exchange rates have been applied.

Naira	Period- end spot rate	
	2023	2022
USD 1	907.11	448.55

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effects in thousand of naira	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2023				
USD (10% movement)	0	0	0	0
31 December 2022				
USD (10% movement)	0	0	0	0

Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate.

This eliminates the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

The Company purchases reinsurances as part of its risks mitigation programme. Reinsurance ceded is placed on both aproportional and non-proportional basis. The majority of proportional reinsurance is quota-sharere insurance 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 insurance contract.

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non-life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. 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 types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedure 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., hurricanes, earthquakes and 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 management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

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.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years. The level of reserve was determined after data cleansing by using our internationally accepted actuarial models.

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be reflected in the future experience without attaching probability or level of uncertainty of variations around such experience) and stochastic (allowing for likely future variation around the average expected experience) and stochastic approach uses Bootstrap-Mark method.

Chain Ladder Method (CL)

We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method

We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter's views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This approach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data to generate credible results using other more sophisticated methods.

Claims development table

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. The estimated technical reserves are derived statistically through analysing the company's non-life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

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.

In Thousands of naira	31-Dec-23	31-Dec-22
Fixed-rate instruments		
Cash deposit	662,396	430,018
Money market placement	5,914,575	3,984,471
Armozitized	7,472,050	5,192,133
	14,049,022	9,606,623

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or 100bp increase	loss 100bp decrease	Equity, 100bp increase	net of tax 100bp decrease
Effect in thousands of naira				
31 December 2023				
Financial instruments	1,404,902	(1,404,902)		
	1,404,902	(1,404,902)	-	-
31 December 2022				
Financial instruments	960,662	(960,662)		
	960,662	(960,662)	-	-

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

50 For the purpose of statement of cashflows

a Proceed from sale of property and equipment

		Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Cost	10	399,247	337,026	392,397	41,591
Accumulated depreciation	10	(73,970)	(77,462)	(67,120)	(41,591)
Net book value		325,277	259,564	325,277	-
Profit on sale of PPE	34	99,036	24,830	85,825	12,064
		424,313	284,394	411,102	12,064

51 Other comprehensive income net of tax

		Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Net actuarial gains/(loss) on retirement					
a benefit obligation	15(i).	1,516	(2,815)	-	-
Income tax effect	17.2	(152)	-	-	-
		1,364	(2,815)	-	-
Gain on revaluation of property, plant and					
b equipment	10	1,252,607	125,456	1,252,607	125,456
Income tax effect	17.2	(125,261)	-	(125,261)	-
		1,127,346	125,456	1,127,346	125,456
c Fair value gain on financial asset at FVOCI	4c	318,819	9,159	318,819	9,159
Income tax effect	17.2	(31,882)	-	(31,882)	-
		286,937	9,159	286,937	9,159

Transition disclosures

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

Group	31st December 2022				1st January 2022			
	Closing Balances as at 31st Dec. 2022		Reclassification		Closing Balances as at 31st Dec. 2022		Reclassification	
	IFRS 4	IFRS 4/IFRS 17	IFRS 17	IFRS 17	IFRS 4	IFRS 4/IFRS 17	IFRS 17	IFRS 17
ASSETS								
Cash and cash equivalents	4,408,793	-	-	-	4,408,793	-	-	5,891,133
Financial assets	5,352,799	-	-	-	5,352,799	-	-	3,158,089
Trade receivable	738,347	-	-	-	738,347	-	-	119,564
Insurance contracts assets	-	-	-	-	-	-	-	-
Reinsurance assets	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
Reinsurance contract assets	-	728,481	83,580	-	-	1,115,859	(63,854)	1,052,005
Deferred acquisition cost	344,588	(344,588)	-	-	286,636	(286,636)	-	-
Other receivables and prepayments	535,433	-	-	-	422,450	-	-	422,450
Investment in subsidiaries	-	-	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-	-	-
Investment properties	45,000	-	-	-	45,000	-	-	45,000
Property, plant and equipment	4,556,848	-	-	-	4,729,375	-	-	4,729,375
Goodwill	316,884	-	-	-	316,884	-	-	316,884
Intangible assets - Software	68,114	-	-	-	102,297	-	-	102,297
Statutory deposits	355,000	-	-	-	355,000	-	-	355,000
Deferred tax asset	60,854	-	-	-	22,293	-	-	22,293
Total Assets	17,511,141	(344,588)	83,580	17,250,133	16,564,579	(286,636)	(63,854)	16,214,090
Liabilities:								
Insurance contract liabilities	3,261,317	(344,588)	300,496	3,217,225	4,146,106	(286,636)	155,673	4,015,143
Other contract liabilities	15,912	-	-	15,912	6,144	-	-	6,144
Trade payables	548,733	-	-	548,733	488,190	-	-	488,190
Employees retirement benefit obligations	22,187	-	-	22,187	17,024	-	-	17,024
Provision and other payables	866,796	-	16,544	850,252	986,709	-	-	986,709
Income tax liabilities	109,064	-	-	109,064	86,652	-	-	86,652
Deferred Tax Liabilities	27,459	-	-	27,459	20,741	-	-	20,741
Total Liabilities	4,851,468	(344,588)	317,040	4,790,831	5,761,566	(286,636)	155,673	5,630,603
Equity								
Issued and paid up share capital	6,933,333	-	-	6,933,333	6,933,333	-	-	6,933,333
Share premium	663,600	-	-	663,600	663,600	-	-	663,600
Statutory Contingency reserves	1,434,593	-	-	1,434,593	1,303,505	-	-	1,303,505
Retained earnings	(777,903)	-	(207,622)	(985,525)	(1,236,052)	-	(219,525)	(1,455,577)
Other Component of Equity	-	-	-	-	-	-	-	-
Asset revaluation reserve	2,572,254	-	-	2,572,254	2,509,957	-	-	2,509,957
Fair value reserve	(53,586)	-	(104,539)	(50,953)	(60,112)	-	-	(60,112)
Insurance finance reserve	-	-	-	-	-	-	-	-
Non Controlling Interest(NCI)	1,887,382	-	629	1,892,000	688,780	-	-	688,780
Total Equity	12,659,673	-	(311,531)	12,459,303	10,803,012	-	(219,525)	10,583,487
Total Equity & Liabilities	17,511,141	(344,588)	5,509	17,250,133	16,564,578	(286,636)	(63,852)	16,214,090

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

	Company Transition adjustment as at 31st December 2022				Company Transition adjustment as at 1st January 2022			
	IFRS 4 31-Dec-22	Reclassification & derecognition	IFRS 17 Remea- surement	IFRS 17 31-Dec-22	IFRS 4 31-Dec-21	Reclassification & derecognition	IFRS 17 Remea- surement	IFRS 17 01-Jan-22
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
A. Reinsurance assets (RA)								
Reinsurance contract assets - Opening balance	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
Remeasurement	-	-	-	-	-	-	-	-
Closing balance	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
B. Deferred acquisition costs (DAC)								
Deferred acquisition costs - Opening balance	344,588	(344,588)	-	-	286,636	(286,636)	-	-
Remeasurement	-	-	-	-	-	-	-	-
Closing balance	344,588	(344,588)	-	-	286,636	(286,636)	-	-
C. Reinsurance contract assets								
Assets for Remaining Coverage (ARC):								
Operating balance IFRS 4	-	-	-	-	-	-	-	-
ARC reclassified from prepaid premium under IFRS 4	(A)	110,110	(110,110)	-	-	474,955	(474,955)	-
Breakdown of assets for remaining coverage:								
Estimated unearned premium reserve	-	-	104,815	104,815	-	-	471,904	471,904
LoC - loss on onerous contract	-	-	5,296	5,296	-	-	3,051	3,051
Deferred commission income	-	-	(31,806)	(31,806)	-	-	(115,023)	(115,023)
Assets for Remaining Coverage (ARC)	-	110,110	(31,805)	78,305	-	474,955	(115,023)	359,932
Assets for Incurred Claims (AIC):								
Operating balance IFRS 4	-	-	-	-	-	-	-	-
AIC reclassified from claims recovery under IFRS 4	(A)	618,371	(618,371)	-	-	640,904	(640,904)	-
Breakdown of assets for incurred claims:								
Estimated of PV of cash flows	-	-	1,129,262	1,129,262	-	-	1,214,231	1,214,231
AIC - risk adjustment recognised	-	-	115,387	115,387	-	-	51,171	51,171
AIC - Impact of Discounting	-	-	(546,614)	(546,614)	-	-	(573,327)	(573,327)
AIC - Unwinding of discount	-	-	35,723	35,723	-	-	-	-
Assets for Incurred Claims (AIC)	-	618,371	115,387	733,758	-	640,904	51,171	692,075
Closing balance - IFRS 17	-	728,481	83,582	812,063	-	1,115,859	(63,852)	1,052,007
D. Insurance contract liabilities								
Liabilities for Remaining Coverage (LRC):								
Operating balance IFRS 4	(D)	1,571,285	-	(1,571,285)	2,146,324	-	(2,146,324)	-
Breakdown of LRC under IFRS 17:								
Excluding loss component	-	-	1,556,777	1,556,777	-	-	2,132,893	2,132,893
Loss component	-	-	15,508	15,508	-	-	13,431	13,431
Impact of claims discounting	-	-	-	-	-	-	-	-
Discount unwinding	-	(344,588)	-	(344,588)	-	(286,636)	-	(286,636)
Deferred acquisition cost - reclassified to LRC	(B)	-	-	-	-	-	-	-
Total LRC	1,571,285	(344,588)	-	1,226,697	2,146,324	(286,636)	-	1,859,688

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

	Transition adjustment as at 31st December 2022				Transition adjustment as at 1st January 2022			
	IFRS 4 31-Dec-22	Reclassification & derecognition	IFRS 17 Remea surement	IFRS 17 31-Dec-21	IFRS 4 31-Dec-22	Reclassification & derecognition	IFRS 17 Remea surement	IFRS 17 31-Dec-21
Note	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
APPENDIX 1C								
Liabilities for Incurred Claims (LIC):								
Opening balance IFRS 4								
Breakdown of LIC under IFRS 17:	(D)							
Estimates of present value of future cash flows	1,705,943	-	(1,705,943)	-	2,005,926	-	(2,005,926)	-
Risk adjustment recognised	-	-	2,509,644	2,509,644	-	-	2,421,475	2,421,475
LIC - impact of claims discounting	-	-	318,731	318,731	-	-	155,673	155,673
Unwinding of discount	-	-	(941,704)	(941,704)	-	-	(415,550)	(415,550)
Total LIC	1,705,943	-	300,495	119,767	2,005,926	-	155,672	2,161,598
Total Insurance contract liabilities - IFRS 17	3,277,228	(344,588)	300,495	3,233,135	4,152,250	(286,636)	155,672	4,021,286
E Other insurance contract liabilities								
Opening balance IFRS 4	-	-	-	-	-	-	-	-
Life fund reclassified from Provision and other payables	(F)	131,417	-	131,417	-	131,417	-	131,417
Remeasurement	-	-	-	-	-	-	-	-
	-	131,417	-	131,417	-	131,417	-	131,417
F Provision and other payables								
Opening balance IFRS 4	866,796	-	-	735,379	996,710	-	-	996,710
Reclassified to other insurance contract liabilities	(E)	(131,417)	-	(131,417)	-	(131,417)	-	(131,417)
Remeasurement	-	-	-	-	-	-	-	-
	866,796	(131,417)	-	603,962	996,710	(131,417)	-	865,293
G Retained earnings								
Opening balance (IFRS 17/IFR)	(1,236,052)	-	(219,524)	(1,455,576)	(1,559,693)	-	-	(1,559,693)
Transfer from statement of profit or loss and other comprehensive income	526,077	-	-	526,077	505,302	-	-	505,302
On disposal of property	63,160	-	-	63,160	-	-	-	-
Transfer from/(to) contingency reserve	(131,087)	-	-	(131,087)	(181,661)	-	-	(181,661)
IFRS 17 impact - reinsurance contract assets	(C)	-	-	147,434	-	-	(63,852)	(63,852)
IFRS 17 impact - insurance contract liabilities	(D)	-	-	(144,823)	-	-	(155,672)	(155,672)
Closing balance - IFRS 17	(777,902)	-	(216,913)	(994,815)	(1,236,052)	-	(219,524)	(1,455,576)

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

Company	31st December 2022				1st January 2022			
	Closing Bal as at 31st Dec. 2022	Reclassification	Reclassification	Reclassification	Opening Bal as at 1st Jan. 2022	Reclassification	Reclassification	Opening Bal as at 1st Jan. 2022
	IFRS 4	IFRS 4/IFRS 17	IFRS 17	IFRS 17	IFRS 4	IFRS 4/IFRS 17	IFRS 17	IFRS 17
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS								
Cash and cash equivalents	2,337,933	-	-	-	3,834,178	-	-	3,834,178
Financial assets	1,641,740	-	-	-	1,479,840	-	-	1,479,840
Trade receivable	738,347	-	-	-	119,565	-	-	119,565
Insurance contracts assets	-	-	-	-	-	-	-	-
Reinsurance contracts assets	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
Reinsurance contract assets	-	728,481	83,580	-	-	1,115,859	(63,854)	1,052,005
Deferred acquisition cost	344,588	(344,588)	-	-	286,636	(286,636)	-	-
Other receivables and prepayments	197,154	-	-	-	220,975	-	-	220,975
Investment in subsidiaries	4,026,300	-	-	-	3,624,860	-	-	3,624,860
Investment in Associates	-	-	-	-	-	-	-	-
Investment properties	45,000	-	-	-	45,000	-	-	45,000
Property, plant and equipment	3,495,490	-	-	-	3,377,451	-	-	3,377,451
Goodwill	-	-	-	-	-	-	-	-
Intangible assets - Software	48,161	-	-	-	69,901	-	-	69,901
Statutory deposits	355,000	-	-	-	355,000	-	-	355,000
Deferred tax asset	21,745	-	-	-	21,745	-	-	21,745
Total Assets	13,979,938	(344,588)	83,580	13,718,930	14,551,010	(286,636)	(63,854)	14,200,519
Liabilities:								
Insurance contract liabilities - IFRS 4								
Trade payables	3,261,317	(344,588)	300,496	3,217,225	4,146,106	(286,636)	155,673	4,015,143
Provision and other payables	548,733	-	-	548,733	488,190	-	-	488,190
Income tax liabilities	488,843	-	-	488,843	572,864	-	-	572,864
Total Liabilities	4,333,700	(344,588)	300,496	4,289,608	5,230,702	(286,636)	155,673	5,099,739
Equity								
Issued and paid up share capital	6,933,333	-	-	6,933,333	6,933,333	-	-	6,933,333
Share premium	663,600	-	-	663,600	663,600	-	-	663,600
Statutory Contingency reserves	1,434,593	-	-	1,434,593	1,303,505	-	-	1,303,505
Retained earnings	(1,671,492)	-	(216,916)	(1,888,408)	(1,731,719)	-	(219,527)	(1,951,246)
Other Component of Equity	-	-	-	-	-	-	-	-
Asset revaluation reserve	2,333,468	-	-	2,333,468	2,208,012	-	-	2,208,012
Fair value reserve	(47,264)	-	-	(47,264)	(56,423)	-	-	(56,423)
Total Equity	9,646,238	-	(216,916)	9,429,322	9,320,308	-	(219,527)	9,100,781
Total Equity & Liabilities	13,979,938	(344,588)	83,580	13,718,930	14,551,010	(286,636)	(63,854)	14,200,519

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

APPENDIX 2B

	Company Transition adjustment as at 31st December 2022				Company Transition adjustment as at 1st January 2022			
	IFRS 4 31-Dec-22	Reclassification & derecognition	IFRS 17 Remea surement	IFRS 17 31-Dec-22	IFRS 4 31-Dec-21	Reclassification & derecognition	IFRS 17 Remea surement	IFRS 17 01-Jan-22
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
A Reinsurance assets (RA)								
Reinsurance contract assets - Opening balance	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
Remeasurement	-	-	-	-	-	-	-	-
Closing balance	728,481	(728,481)	-	-	1,115,859	(1,115,859)	-	-
B Deferred acquisition costs (DAC)								
Deferred acquisition costs - Opening balance	344,588	(344,588)	-	-	286,636	(286,636)	-	-
Remeasurement	-	-	-	-	-	-	-	-
Closing balance	344,588	(344,588)	-	-	286,636	(286,636)	-	-
C Reinsurance contract assets								
Assets for Remaining Coverage (ARC):								
Opening balance IFRS 4	-	-	-	-	-	-	-	-
ARC reclassified from prepaid premium under IFRS 4	-	110,110	(110,110)	-	-	474,955	(474,955)	-
Breakdown of assets for remaining coverage:								
Estimated unearned premium reserve	-	-	104,814	104,814	-	-	471,904	471,904
LoC - loss on onerous contract	-	-	5,296	5,296	-	-	3,051	3,051
Deferred commission income reclassified - DCI	-	-	-	-	-	-	-	-
Assets for Remaining Coverage (ARC)	-	110,110	-	110,110	-	474,955	-	474,955
Assets for Incurred Claims (AIC):								
Opening balance IFRS 4	-	-	-	-	-	-	-	-
AIC reclassified from claims recovery under IFRS 4	-	618,371	(618,371)	-	-	640,904	(640,904)	-
Breakdown of assets for incurred claims:								
AIC - impact of claims discounting	-	-	1,129,262	1,129,262	-	-	1,214,231	1,214,231
AIC - risk adjustment recognised	-	-	115,387	115,387	-	-	51,171	51,171
AIC - impact of Discounting	-	-	(546,614)	(546,614)	-	-	(573,327)	(573,327)
AIC - Unwinding of discount	-	-	35,723	35,723	-	-	-	-
Assets for Incurred Claims (AIC)	-	618,371	115,387	733,758	-	640,904	51,171	692,075
Closing balance - IFRS 17	-	728,481	115,387	843,868	-	1,115,859	51,171	1,167,030
D Insurance contract liabilities								
Liabilities for Remaining Coverage (LRC):								
Opening balance IFRS 4	1,571,285	-	(1,571,285)	-	2,146,324	-	(2,146,324)	2,146,324
Breakdown of LRC under IFRS 17:								
Excluding loss component	-	-	1,555,777	1,555,777	-	-	2,132,893	2,132,893
Loss component	-	-	15,508	15,508	-	-	13,431	13,431
Impact of Claims discounting	-	-	-	-	-	-	-	-
Discount unwinding	-	-	-	-	-	-	-	-
Deferred acquisition cost - reclassified to LRC	-	(344,588)	-	(344,588)	-	(286,636)	-	(286,636)
Total LRC	1,571,285	(344,588)	-	1,226,697	2,146,324	(286,636)	-	1,859,688

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

		Transition adjustment as at 31st December 2022				Transition adjustment as at 1st January 2022			
APPENDIX 2C		IFRS 4 31-Dec-22 ₹'000	Reclassification & derecognition ₹'000	IFRS 17 Remea surement ₹'000	IFRS 17 31-Dec-21 ₹'000	IFRS 4 31-Dec-22 ₹'000	Reclassification & derecognition ₹'000	IFRS 17 Remea surement ₹'000	IFRS 17 31-Dec-21 ₹'000
Liabilities for Incurred Claims (LIC):									
Opening balance IFRS 4	(D)	1,690,033	-	(1,690,033)	-	1,999,782	-	(1,999,782)	-
Breakdown of LIC under IFRS 17:									
Estimates of present value of future cash flows		-	-	2,509,644	2,509,644	-	-	2,421,475	2,421,475
Risk adjustment recognised		-	-	318,731	318,731	-	-	155,673	155,673
LIC - impact of claims discounting		-	-	(941,704)	(941,704)	-	-	(415,550)	(415,550)
Discount unwinding		-	-	119,767	119,767	-	-	-	-
Total LIC		1,690,033	-	316,405	2,006,438	1,999,782	-	161,816	2,161,598
Total Insurance contract liabilities - IFRS 17		3,261,318	(344,589)	316,405	3,233,135	4,146,106	(286,636)	161,816	4,021,286
E Other Insurance contract liabilities									
Opening balance IFRS 4	(F)	-	-	-	-	-	-	-	-
Life fund reclassified from Provision and other payables		-	131,417	-	131,417	-	131,417	-	131,417
Remeasurement		-	131,417	-	131,417	-	131,417	-	131,417
F Provision and other payables									
Opening balance IFRS 4	(E)	866,796	-	-	735,379	996,710	-	-	996,710
Reclassified to other insurance contract liabilities		-	(131,417)	-	(131,417)	-	(131,417)	-	(131,417)
Remeasurement		866,796	(131,417)	-	603,962	996,710	(131,417)	-	865,293
G Retained earnings									
Opening balance (IFRS 17/IFR)		(1,731,721)	-	(219,525)	(1,951,246)	(1,881,303)	-	-	(1,881,303)
Transfer from statement of profit or loss and other comprehensive income		191,315	-	-	191,315	331,242	-	-	331,242
On disposal of property		-	-	-	-	-	-	-	-
Transfer from/(to) contingency reserve	(C)	(131,087)	-	-	(131,087)	(181,661)	-	-	(181,661)
IFRS 17 impact - reinsurance contract assets	(C)	-	-	147,434	147,434	-	-	(63,852)	(63,852)
IFRS 17 impact - insurance contract liabilities	(D)	-	-	(144,822)	(144,822)	-	-	(155,673)	(155,673)
Closing balance - IFRS 17		(1,671,493)	-	(216,913)	(1,888,406)	(1,731,722)	-	(219,525)	(1,951,247)

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

GROUP	31st December - Group				31st December 2022 - Company			
	Balances as at 31st Dec. 2022	Reclassification	Reinsurance	Balances as at 31st Dec. 2022	Balances as at 31st Dec. 2022	Reclassification	Reinsurance	Balances as at 31st Dec. 2022
	IFRS 4			IFRS 17	IFRS 4			IFRS 17
Gross Premium Income	Note 1(6)	₱000	₱000	₱000	₱000	₱000	₱000	₱000
Reinsurance Expenses	2(8)	5,245,202	(5,245,202)	-	4,944,613	(4,944,613)	-	-
Net Premium Income		(2,245,509)	2,245,509	-	(2,245,509)	2,245,509	-	-
Fees and commission income	3(8)	2,999,693	-	-	2,699,104	-	-	-
Net underwriting income		213,684	(213,684)	-	213,684	(213,684)	-	-
Claim Expenses	4(7,8)	3,213,377	893,707	-	2,912,788	716,334	-	-
Underwriting expenses	5(7)	(893,707)	867,998	-	(716,334)	867,999	-	-
Underwriting result		(867,998)	-	-	(867,999)	-	-	-
Insurance revenue	6(1)	1,451,672	-	-	1,328,455	-	-	5,048,008
Insurance service expenses	7(4,5)	-	5,245,202	-	-	4,944,613	-	(2,304,943)
Net gains/(loss) on reinsurance contracts	8(2,3,4)	-	(2,058,548)	(246,395)	-	(1,881,176)	(423,767)	(2,304,943)
Insurance service result		(1,734,982)	(35,349)	(1,770,331)	(1,734,982)	(35,349)	(1,770,331)	972,734
Net investment income		1,451,672	-	(281,744)	1,328,455	-	(459,116)	972,734
Interest revenue calculated using the effective interest Method		513,347	-	-	148,623	-	-	148,623
Net fair value gains/(losses) on financial assets at fair value through profit or loss		(1,823)	-	-	(1,823)	-	-	(1,823)
Net fair value gains on derecognition of financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-	-
Measured at fair value through other comprehensive income Net credit impairment losses		-	-	-	-	-	-	-
Net credit impairment losses		(4,795)	-	-	1,160	-	-	1,160
finance cost		-	-	-	-	-	-	168,397
Net foreign exchange income/(expense)		-	-	-	-	-	-	257,755
Other investment income		-	-	-	-	-	-	574,112
Net investment income		506,728	-	-	147,960	-	-	574,112
Finance expenses from insurance contracts issued	9	-	-	(119,034)	-	-	(119,034)	(119,034)
Finance income from reinsurance contracts held	10	-	-	30,117	-	-	30,117	30,117
Net insurance and investment result		1,958,400	-	(370,661)	1,476,415	-	(548,033)	1,457,929

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

GROUP	31st December - Group				31st December 2022 - Company			
	Balances as at 31st Dec. 2022	Reclassification	Re-measurement	Balances as at 31st Dec. 2022	Balances as at 31st Dec. 2022	Reclassification	Re-measurement	Balances as at 31st Dec. 2022
Asset management services revenue	-	-	-	-	-	-	-	-
Fair value changes in investment property	-	-	-	-	-	-	-	-
Other Investment income	1,724,660	-	-	1,724,660	257,754	-	-	257,754
Other operating income	445,934	-	-	445,934	226,359	-	-	226,359
Impairment charge on other assets	-	-	-	-	-	-	-	-
Finance Cost (Interest cost)	(2,128)	-	-	(2,128)	-	-	-	-
Management expenses	(3,363,349)	-	-	(3,363,349)	(1,741,586)	-	-	(1,741,586)
Profit before tax	763,517	-	(370,661)	2,103,133	218,942	-	(548,033)	200,456
Income tax expense	(70,240)	-	-	(70,240)	(27,627)	-	-	(27,627)
Profit tax tax	693,277	-	(370,661)	2,032,892	191,315	-	(548,033)	172,829
Items that may be reclassified subsequently to profit or loss:								
Fair value adjustment on FVOCI debt instruments	-	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss:								
Gain on revaluation of property, plant and equipment	125,456	-	-	125,456	125,456	-	-	125,456
Net actuarial (losses) / gains on retirement benefit obligation	(2,815)	-	-	(2,815)	9,159	-	-	9,159
Fair value adjustment on equities at FVOCI	9,159	-	-	9,159	134,616	-	-	134,616
Other Comprehensive Income, net of taxes	131,801	-	-	131,801	-	-	-	-
Total Comprehensive Income for the year	825,078	-	(370,661)	2,164,893	325,931	-	(548,033)	307,445
1 Gross Premium Income								
Gross Premium Income as per IFRS 4	5,245,202	-	-	5,245,202	4,944,613	-	-	4,944,613
Reclassified to insurance revenue	-	(5,245,202)	-	(5,245,202)	-	(4,944,613)	-	(4,944,613)
Closing balance - IFRS 17	5,245,202	(5,245,202)	-	-	4,944,613	(4,944,613)	-	-

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

GROUP	31st December - Group				31st December 2022 - Company			
	Balances as at 31st Dec. 2022	Reclassi- fication	Reanea- surement	Balances as at 31st Dec. 2022	Balances as at 31st Dec. 2022	Reclassi- fication	Reanea- surement	Balances as at 31st Dec. 2022
2 Reinsurance expenses								
Reinsurance Expense as per IFRS 4	(2,245,509)	-	-	(2,245,509)	(2,245,509)	-	-	(2,245,509)
Reclassified to net expenses on reinsurance contracts	-	2,245,509	-	2,245,509	-	2,245,509	-	2,245,509
Closing balance - IFRS 17	(2,245,509)				(2,245,509)			
3 Fee and Commission Received								
Fee and Commission Received as per IFRS 4	213,684	-	-	213,684	213,684	-	-	213,684
Reclassified to net expenses on reinsurance contracts	-	(213,684)	-	(213,684)	-	(213,684)	-	(213,684)
Closing balance - IFRS 17	213,684	(213,684)	-	-	213,684	(213,684)	-	-
4 Claims expenses (Gross)								
Gross claims as per IFRS 4	(893,707)	-	-	(893,707)	(716,334)	1,013,177	-	(716,334)
Reclassified to insurance service expenses	-	1,190,550	-	1,190,550	-	(296,843)	-	1,013,177
Reclassified to net expenses on reinsurance contracts	-	(296,843)	-	(296,843)	-	(296,843)	-	(296,843)
Reinsurance	-	-	-	-	-	-	-	-
Closing balance - IFRS 17	(893,707)	893,707	-	-	(716,334)	716,334	-	-
5 Underwriting expenses								
Recovery from claims as per IFRS 4	(867,998)	-	-	(867,998)	(867,998)	-	-	(867,998)
Recovery reclassified to net expenses on reinsurance contracts	-	867,998	-	867,998	-	867,998	-	867,998
Reinsurance	-	-	-	-	-	-	-	-
Closing balance - IFRS 17	(867,998)	867,998	-	-	(867,998)	867,998	-	-
6 Insurance revenue								
Premium earned reclassified from GPI	-	5,245,202	-	5,245,202	-	4,944,613	-	4,944,613
Reinsurance	-	-	-	-	-	-	-	-
Impact of actuarial reinsurance	-	-	-	-	-	-	-	-
Closing balance - IFRS 17	-	5,245,202	-	5,245,202	-	4,944,613	-	4,944,613

Reconciliation of IFRS 4 to IFRS 17 (Statement of Financial Position) - Explanatory Notes supporting restated figures

GROUP	31st December - Group				31st December 2022 - Company			
	Balances as at 31st Dec. 2022	Reclassification	Reclassification	Balances as at 31st Dec. 2022	Balances as at 31st Dec. 2022	Reclassification	Reclassification	Balances as at 31st Dec. 2022
7 Insurance service expenses								
Reclassified from Claims expenses - gross claims	(D)	-	(1,190,550)	-	(1,190,550)	-	(1,013,177)	(1,013,177)
Reclassified from Underwriting expenses	(F)	-	(867,998)	-	(867,998)	-	(867,998)	(867,998)
IFRS 17 Impact - adjustments to claims expenses		-	-	138,002	138,002	-	138,003	138,003
IFRS 17 Impact - Risk adjustment		-	-	(163,058)	(163,058)	-	(163,058)	(163,058)
Impact of actuarial remeasurement		-	-	-	-	-	-	-
Closing balance - IFRS 17		-	(2,058,548)	(25,056)	(2,083,604)	-	(1,881,175)	(1,906,230)
8 Net expenses from reinsurance contracts								
Reclassified from Reinsurance expenses	(B)	-	(2,245,509)	83,218	(2,162,291)	-	(2,245,509)	(2,162,291)
Reclassified from Fee and commission income:	(H)	-	213,684	-	213,684	-	213,684	213,684
Reclassified from Claims expenses recovered from reinsurers	(I)	-	296,843	28,493	325,336	-	296,843	325,336
IFRS 17 Impact - Recovery on Loss component		-	-	-	-	-	-	-
IFRS 17 Impact - Recovery from risk adjustment		-	-	-	-	-	-	-
IFRS 17 Impact - Insurance finance income/(expenses)		-	-	-	-	-	-	-
Impact of actuarial remeasurement		-	-	-	-	-	-	-
9 Insurance finance income/(expenses)								
Insurance finance income/(expenses) from insurance contracts	(H)	-	-	(119,767)	(119,767)	-	(119,767)	(119,767)
10 Reinsurance finance income/(expenses)								
Insurance finance income/(expenses) from reinsurance contracts	(I)	-	-	35,723	35,723	-	35,723	35,723

16(a)(i) Reconciliation of liability for remaining coverage and the liability for incurred claims

Group	Insurance contract liabilities - Group 2023					Insurance contract liabilities - Group 2022				
	Liability for remaining coverage		Liability for Incurred Claims		Total Insurance contract liabilities	Liability for remaining coverage		Liability for Incurred Claims		Total Insurance contract liabilities
	Excluding Loss Components	Loss Components (LoC)	Estimates of future cash flows	Risk Adjustment		Excluding Loss Components	Loss Components (LoC)	Estimates of future cash flows	Risk Adjustment	
Opening insurance contract liabilities	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Opening insurance contract assets	1,211,187	15,856	1,689,685	300,497	3,217,225	1,846,256	13,431	1,999,783	155,673	4,015,143
Net insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225	1,846,256	13,431	1,999,783	155,673	4,015,143
Insurance revenue	(7,103,516)	-	-	-	(7,103,516)	(5,048,008)	-	-	-	(5,048,008)
Insurance service expenses	-	-	-	-	-	-	-	-	-	-
Incur claims and other expenses	-	-	3,100,295	-	3,100,295	-	-	1,031,411	144,824	1,176,235
Amortisation of insurance acquisition cash flows	1,785,956	-	-	-	1,785,956	867,998	-	2,425	-	867,998
Changes related to future service	-	-	523,826	93,547	617,374	-	-	154,890	-	2,425
Changes related to past service	-	(15,470)	-	-	(15,470)	101,318	2,077	-	-	258,285
Loss on onerous contracts/(reversals)	-	-	-	-	-	-	-	-	-	-
Adjustment on first adoption of IFRS 17	-	-	-	-	-	-	-	-	-	-
Total insurance service expenses	1,785,956	(15,470)	3,624,121	93,547	5,488,155	969,316	2,077	1,186,726	144,824	2,304,943
Investment components	-	-	-	-	-	-	-	-	-	-
Insurance finance expenses	-	-	239,390	-	239,390	-	-	119,034	-	119,034
Total change in comprehensive income	-	-	-	-	-	(4,078,692)	2,077	1,307,760	144,824	(2,624,031)
Cashflows	-	-	-	-	-	-	-	-	-	-
Premiums received - premium on new insurance contracts (1)	7,291,207	-	-	-	7,291,207	4,369,573	-	-	-	4,369,573
Claims and expenses paid	-	-	(3,232,155)	-	(3,232,155)	-	-	(1,617,510)	-	(1,617,510)
Acquisition costs paid - acquisition cost on new insurance contracts (1)	(1,361,103)	-	-	-	(1,361,103)	(925,950)	-	-	-	(925,950)
Total Cashflows	5,930,104	-	(3,232,155)	-	2,697,949	3,443,623	-	(1,617,510)	-	1,826,113
Opening insurance contract liabilities	1,823,731	386	2,321,041	394,044	4,539,203	1,211,187	15,508	1,690,033	300,497	3,217,225
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities	1,823,731	386	2,321,041	394,044	4,539,203	1,211,187	15,508	1,690,033	300,497	3,217,225

16(a)(iii) Reconciliation of liability for remaining coverage and the liability for incurred claims -										
	Insurance contract liabilities - Company 2023					Insurance contract liabilities - Company 2022				
	liability for remaining coverage		Liability for Incurred Claims		Total	liability for remaining coverage		Liability for Incurred Claims		Total
Company	Excluding Loss Components	Loss Estimates of future cash flows	Risk Adjustment	Insurance contract liabilities		Excluding Loss Components	Loss Estimates of future cash flows	Risk Adjustment	Insurance contract liabilities	
Opening insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225	1,846,256	13,431	1,999,783	155,673	4,015,143
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities	1,211,187	15,856	1,689,685	300,497	3,217,225	1,846,256	13,431	1,999,783	155,673	4,015,143
Insurance revenue	(7,103,516)	-	-	-	(7,103,516)	(5,048,008)	-	-	-	(5,048,008)
Insurance service expenses	-	-	-	-	-	-	-	-	-	-
Incurred claims and other expenses	-	-	3,100,295	-	3,100,295	-	-	1,031,411	144,824	1,176,235
Amortisation of insurance acquisition cash flows	1,785,956	-	-	-	1,785,956	867,998	-	-	-	867,998
Changes related to future service	-	(15,470)	523,826	93,547	617,374	-	-	2,425	-	2,425
Changes related to past service	-	-	-	-	(15,470)	101,318	2,077	154,890	-	256,285
Total insurance service expenses	1,785,956	(15,470)	3,624,121	93,547	5,488,155	969,316	2,077	1,188,726	144,824	2,304,943
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Total change in comprehensive income	-	-	-	239,390	239,390	(4,078,692)	2,077	1,307,760	144,824	(2,624,031)
Cashflows	-	-	-	-	-	-	-	-	-	-
Premiums received - premium on new insurance contracts (1)	7,291,207	-	-	-	7,291,207	4,369,573	-	-	-	4,369,573
Claims and expenses paid	-	-	(3,232,155)	-	(3,232,155)	-	-	(1,617,510)	-	(1,617,510)
Acquisition costs paid - acquisition cost on new insurance contracts	(1,361,103)	-	-	-	(1,361,103)	(925,950)	-	-	-	(925,950)
Total Cashflows	5,930,104	(3,232,155)	-	2,697,949	2,697,949	3,443,623	-	(1,617,510)	-	1,826,113
Opening insurance contract liabilities	1,823,731	386	2,321,041	394,044	4,539,203	1,211,187	15,508	1,690,033	300,497	3,217,225
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities	1,823,731	386	2,321,041	394,044	4,539,203	1,211,187	15,508	1,690,033	300,497	3,217,225

Reconciliation of assets for remaining coverage and the assets for incurred claims

Group	Reinsurance contract Asset - Group 2023					Reinsurance contract Asset - Group 2022				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		Total re-insurance contract asset	Asset for remaining coverage		Amount recoverable on Incurred Claims		Total re-insurance contract asset
	Excluding Loss Components	Loss Components	Estimates of Pv of future cash flows	Risk Adjustment		Excluding Loss Components	Loss Components	Estimates of Pv of future cash flows	Risk Adjustment	
Opening reinsurance contract assets	216,684	3,051	570,698	21,629	812,062	244,352	3,051	753,432	51,171	1,052,006
Opening reinsurance contract assets	-	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets	216,684	3,051	570,698	21,629	812,062	244,352	3,051	753,432	51,171	1,052,006
Net income/(expenses) from reinsurance contract held	-	-	-	-	-	-	-	-	-	-
At allocation of reinsurance premiums	(2,348,864)	-	-	-	(2,348,864)	(2,053,878)	-	-	-	(2,053,878)
Amount recoverable for incurred claims	-	(611)	498,625	17,749	515,763	-	-	313,088	(29,541)	283,547
Claims and other expenses	-	-	555,594	-	555,594	-	-	327,900	66,120	394,020
Charges to amounts recoverable for incurred claims	-	(611)	(56,789)	17,749	(39,631)	-	-	(14,812)	(95,681)	(110,473)
Net income or expense from reinsurance contracts held	-	-	-	-	-	(2,053,878)	-	313,088	(29,541)	(1,770,331)
Loss on onerous contracts/(reversals)	-	-	-	-	-	-	-	-	-	-
Adjustment on first adoption of IFRS 17	(2,348,864)	(611)	498,625	17,749	515,763	(2,053,878)	-	313,088	(29,541)	(1,770,331)
Finance income from reinsurance contracts held	-	-	-	-	-	-	-	30,117	-	30,117
Total change in comprehensive income	(2,348,864)	(611)	582,156	17,749	599,294	(2,053,878)	-	343,205	(29,541)	(1,740,214)
Investment components	-	-	-	-	-	-	-	-	-	-
Cashflows	-	-	-	-	-	-	-	-	-	-
Premiums received - premium on new insurance contracts (1)	3,003,618	-	-	-	3,003,618	2,026,210	-	-	-	2,026,210
Claims and expenses paid	-	-	(418,253)	-	(418,253)	-	-	(525,940)	-	(525,940)
Acquisition costs paid - acquisition cost on new insurance contracts (1)	-	-	-	-	-	-	-	-	-	-
Total Cashflows	3,003,618	-	(418,253)	-	2,585,365	2,026,210	-	(525,940)	-	1,500,270
Non-Cash flows items	-	-	-	-	-	-	-	-	-	-
Premiums receivables - premium on new insurance contracts (2)	0	-	-	-	-	0	-	-	-	-
Acquisition costs payable - acquisition cost on new insurance contracts (2)	0	-	-	-	-	0	-	-	-	-
Total non-cash flows items	-	-	-	-	-	-	-	-	-	-
Closing re-insurance contract assets	871,438	2,440	734,601	39,379	1,647,858	216,684	3,051	570,698	21,629	812,062
Net re-insurance contract assets	871,438	2,440	734,601	39,379	1,647,858	216,684	3,051	570,698	21,629	812,062

Reconciliation of assets for remaining coverage and the assets for incurred claims -

Company	Reinsurance contract assets - Company 2023					Reinsurance contract assets - Company 2022				
	Asset for remaining coverage		Amount recoverable on Incurred Claims		Total reinsurance contract asset	Asset for remaining coverage		Amount recoverable on Incurred Claims		Total reinsurance contract asset
	Excluding Loss Components	Loss Components (LoC)	Estimates of Pv of future cash flows	Risk Adjustment		Excluding Loss Components	Loss Components (LoC)	Estimates of Pv of future cash flows	Risk Adjustment	
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Opening insurance contract liabilities	216,684	3,051	570,698	21,629	812,062	244,352	3,051	753,432	51,171	1,052,006
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets	216,684	3,051	570,698	21,629	812,062	244,352	3,051	753,432	51,171	1,052,006
Net income/(expenses) from reinsurance contract held	(2,348,864)	-	-	-	(2,348,864)	(2,053,878)	-	-	-	(2,053,878)
An allocation of reinsurance premiums	-	(611)	498,625	17,749	515,763	-	-	313,088	(29,541)	283,547
Amounts recoverable for incurred claims	-	-	555,394	-	555,394	-	-	327,900	66,120	394,020
Claims and other expenses	-	(611)	(56,789)	17,749	(39,631)	(14,812)	(95,661)	(110,473)	(1,770,331)	(1,770,331)
Charges to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	-	-	-	-	-	(2,053,878)	-	-	-	-
Net income/(expenses) from reinsurance contract held	(2,348,864)	(611)	498,625	17,749	515,763	(2,053,878)	-	313,088	(29,541)	(1,770,331)
Finance income from reinsurance contracts held	-	-	83,531	-	83,531	-	-	30,117	-	30,117
Total change in comprehensive income	(2,348,864)	(611)	582,156	17,749	599,294	(2,053,878)	-	343,205	(29,541)	(1,740,214)
Investment components	-	-	-	-	-	-	-	-	-	-
Cashflows	3,003,618	-	-	-	3,003,618	2,026,210	-	-	-	2,026,210
Premiums and similar expense paid	-	-	(418,253)	-	(418,253)	-	-	(525,940)	-	(525,940)
Amounts received	3,003,618	-	(418,253)	-	2,585,365	2,026,210	-	(525,940)	-	1,500,270
Total Cashflows	3,003,618	-	(418,253)	-	2,585,365	2,026,210	-	(525,940)	-	1,500,270
Closing re-insurance contract assets	871,438	2,440	734,601	39,579	1,647,858	216,684	3,051	570,698	21,629	812,062
Net reinsurance contract assets	871,438	2,440	734,601	39,579	1,647,858	216,684	3,051	570,698	21,629	812,062

Reconciliation of assets for remaining coverage and the assets for incurred claims

Group	Reinsurance contract Asset - Group 2023						Reinsurance contract Asset - Group 2022					
	Asset for remaining coverage		Amount recoverable on		Total		Asset for remaining coverage		Amount recoverable on		Total	
	Excluding Loss Components	Loss Components	Estimates of Pv of future cash flows	Risk Adjustment	re-insurance contract asset		Excluding Loss Components	Loss Components	Estimates of Pv of future cash flows	Risk Adjustment	re-insurance contract asset	
	₹'000	₹'000	₹'000	₹'000	₹'000		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Opening reinsurance contract assets	216,684	-	3,051	570,698	21,629	812,062	244,352	-	3,051	753,432	51,171	1,052,006
Opening reinsurance contract assets	-	-	-	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets	216,684	-	3,051	570,698	21,629	812,062	244,352	-	3,051	753,432	51,171	1,052,006
Net income/(expenses) from reinsurance contract held	-	-	-	-	-	-	-	-	-	-	-	-
An allocation of reinsurance premiums	(2,348,864)	-	-	-	-	(2,348,864)	(2,053,878)	-	-	-	-	(2,053,878)
Amount recoverable for incurred claims	-	(611)	498,625	17,749	515,763	-	-	-	313,088	(29,541)	283,547	-
Amounts recoverable for incurred claims and other expenses	-	-	555,384	-	555,384	-	-	-	327,900	66,120	394,020	-
Changes to amounts recoverable for incurred claims	-	(611)	(56,769)	17,749	(39,631)	-	-	-	(14,812)	(95,661)	(110,473)	-
Net income or expense from reinsurance contracts held	-	-	-	-	-	-	(2,053,878)	-	-	313,088	(29,541)	(1,770,331)
Loss on onerous contracts/(reversals)	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on first adoption of IFRS 17 held	(2,348,864)	(611)	498,625	17,749	515,763	-	(2,053,878)	-	-	313,088	(29,541)	(1,770,331)
Finance income from reinsurance contracts held	-	-	83,531	-	83,531	-	-	-	30,117	-	30,117	-
Total change in comprehensive income	(2,348,864)	(611)	582,156	17,749	599,284	-	(2,053,878)	-	343,205	(29,541)	(1,740,214)	-
Investment components	-	-	-	-	-	-	-	-	-	-	-	-
Cashflows	-	-	-	-	-	-	-	-	-	-	-	-
Premiums received - premium on new insurance contracts (1)	3,003,618	-	-	-	3,003,618	-	2,026,210	-	-	-	2,026,210	-
Claims and expenses paid	-	-	(418,253)	-	(418,253)	-	-	-	(525,940)	-	(525,940)	-
Acquisition costs paid - acquisition cost on new insurance contracts (1)	-	-	-	-	-	-	-	-	-	-	-	-
Total Cashflows	3,003,618	-	(418,253)	-	2,585,365	-	2,026,210	-	(525,940)	-	1,500,270	-
Non-Cash flows items	-	-	-	-	-	-	-	-	-	-	-	-
Premiums receivables - premium on new insurance contracts (2)	0	-	-	-	-	-	0	-	-	-	-	-
Acquisition costs payable - acquisition cost on new insurance contracts (2)	0	-	-	-	-	-	0	-	-	-	-	-
Total non-cash flows items	-	-	-	-	-	-	-	-	-	-	-	-
Closing re-insurance contract assets	871,438	2,440	734,601	39,379	1,647,858	-	216,684	3,051	570,698	21,629	812,062	-
Net re-insurance contract assets	871,438	2,440	734,601	39,379	1,647,858	-	216,684	3,051	570,698	21,629	812,062	-

Value Added Statement

	Group 2023	%	Group 2022	%	Company 2023	%	Company 2022	%
Gross premium income	7,563,210		4,670,162		7,298,401		4,369,573	
Investment Income	1,876,790		1,724,660		455,292		257,756	
Other income	4,340,010		746,528		3,617,710		226,360	
Reinsurance claims, commission and operating expenses	(8,933,027)		(5,093,805)		(8,386,267)		(4,150,508)	
Value added	4,846,983	100	2,047,546	100	2,985,136	100	703,181	100
Applied to pay								
Staff cost	1,358,585	28%	1,017,913	50%	415,544	14%	375,291	53%
Government as tax	231,985	5%	70,240	3%	87,788	3%	27,627	4%
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	231,096	5%	2,129	0%	-	-	-	-
Depreciation and amortisation	275,030	6%	244,832	12%	152,488	5%	106,338	15%
Retained profit for the year	2,750,288	57%	712,432	35%	2,329,316	78%	193,925	28%
	4,846,983	100%	2,047,546	100%	2,985,136	100%	703,181	100%

**FIVE YEAR FINANCIAL SUMMARY
STATEMENT OF FINANCIAL POSITION**

	Group 2023 N'000	Restated Group 2022 N'000	Group 2021 N'000	Group 2020 N'000	Group 2019 N'000
ASSETS					
Cash and cash equivalents	6,564,667	4,408,793	5,891,133	4,242,485	4,372,408
Financial assets	-	-	-	3,620,755	1,906,676
Fair value through profit or loss	113,615	68,090	69,913	-	-
Armortised cost	7,472,050	5,192,133	3,004,760	-	-
Fair value through OCI	433,485	92,575	83,416	-	-
Trade receivables	1,029,780	738,347	119,564	83,679	-
Reinsurance assets	1,647,856	812,061	1,052,005	1,025,756	389,960
Deferred acquisition cost	-	-	-	119,379	107,340
Other receivables and prepayments	826,508	535,433	422,450	320,803	425,574
Investment properties	-	45,000	45,000	289,439	412,111
Goodwill	316,884	316,884	316,884	316,884	316,884
Intangible assets- Software	422,753	68,114	102,297	49,900	72,567
Property, plant and equipment	5,436,390	4,556,848	4,729,375	3,790,533	3,736,923
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	60,854	60,854	22,293	7,316	8,486
Total assets	24,679,842	17,250,133	16,214,090	14,221,929	12,103,930
LIABILITIES					
Insurance contract liabilities	4,539,202	3,217,225	4,015,143	2,856,017	2,012,465
Other contract liabilities	15,539	15,912	6,144	-	-
Trade payables	2,105,972	548,733	488,190	686,297	229,840
Employees retirement benefit obligations	23,933	22,187	17,024	14,724	11,246
Provision and other payables	1,254,607	850,252	996,709	741,696	651,833
Income tax liabilities	187,033	109,064	86,652	94,458	80,306
Deferred tax liabilities	184,753	27,459	20,741	324,764	554,978
Total liabilities	8,311,039	4,790,831	5,630,602	4,717,956	3,540,669
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,900,456	1,434,593	1,303,505	1,121,845	939,949
Retained earnings	1,008,862	(985,525)	(1,455,577)	(1,559,692)	(2,262,822)
Asset revaluation reserve	3,634,971	2,572,253	2,509,957	1,809,597	1,809,964
Fair value reserve	235,984	(50,953)	(60,112)	40,924	40,213
Non Controlling interest(NCI)	1,991,597	1,892,000	688,780	494,365	439,024
Shareholders fund	16,368,802	12,459,302	10,583,487	9,503,972	8,563,261
TOTAL LIABILITIES AND EQUITY	24,679,842	17,250,133	16,214,090	14,221,928	12,103,929
Gross premium written	7,563,210	4,670,162	6,318,949	6,265,636	3,076,332
Insurance service result	(217,739)	972,734	-	-	-
Profit(loss) before taxation	2,982,272	782,672	344,414	844,022	214,375
Profit/(loss) after taxation	2,750,288	712,432	225,949	96,623	(49,116)



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Corporate Office:

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District, FCT Abuja. Tel: 07001000500
E-mail: info@veritaskapital.com
Website: www.veritaskapital.com

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PROXY FORM

47th ANNUAL GENERAL MEETING of the members of VERITAS KAPITAL ASSURANCE PLC to be held on Tuesday September 17, 2024, at Veritas Kapital Assurance PLC head office, Plot 497 Abogo Largema Street, Central Business District, Abuja, FCT at 11:00 a.m.

I/We	Please indicate an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.							
(Name of Shareholder in block letters), being a member(s) of the above-named Company, Veritas Kapital Assurance PLC, hereby appoint any of the under listed proposed proxies: a. Mr. Nahim Abe Ibraheem b. Hajia.Yabawa Lawan Wabi as my/our proxy to attend and vote for me/us and on my/our behalf at the 47 th Annual General Meeting of the Company to be held on Tuesday, 17 th September 2024 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit. Dated this day of, 2024.	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN	SPECIAL BUSINESS	FOR	AGAINST	ABSTAIN
	1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Reports of the Directors, Auditors, and Audit Committee thereon. 2. To authorize the Directors to fix the remuneration of the External Auditors, Messrs Ernst and Young 3. To elect members of the Statutory Audit Committee				6. To approve the remuneration of the Non-Executive Directors of the Company for the year ending December 31, 2024 7. To appoint Planet Governance Advisory Limited as Board Evaluation Consultant			
SIGNATURE OF SHAREHOLDER	4. To re-elect the following Directors retiring by rotation and who, being eligible, have offered themselves for re-election: • Mr. Paul Oki • Mr. Emmanuel Etuh • Mr. Aminu Babangida 5. To disclose the remuneration of Managers of the Company.							

NOTES

1. A Member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the Company. A Proxy Form is attached to this Notice and is valid for the meeting.
2. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of the Company Secretary, Veritas Kapital Assurance PLC, Plot 497 Abogo Largema street, Central Business District, Abuja, FCT or office of the Registrars, Unity Registrars Ltd, 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting or through the following email address: info@unityregistrarsng.com.
3. If the shareholder is a company, this form must be under its common seal or under its common seal or he hand and seal of its attorney.



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