Unitrust Insurance Company Limited

Annual Report
31 December 2022

Contents

Corporate information

Chairman	Gloria Danjuma (Ms)
Directors	Mr. John Ijerheime* Mrs. Yetunde Adenuga* Mr. Adebayo Adeleke Mr. Ishaya Danjuma Mrs. Chioma Sideso Mr. Adedayo Arowojolu** Mr. Aminu Ado Chief Samuel Olu Alabi ** Resigned effective 31 January 2023* *** Appointed 1 February 2023*
Corporate Office	Unitrust Insurance Company Limited Plot 105B Ajose Adeogun Street Victoria Island , Lagos Telephone: 01-4617031-2, 4626850-2, 2701167-9 Email:info@unitrustinsurance.com Website: www.unitrustinsurance.com
RC Number	42899
FRC Number	FRC/2012/0000000000313
Tax Identification Number	01060629-0001
Auditors	KPMG Professional Services KPMG Tower, Bishop Aboyade Cole St, Victoria Island 100272, Lagos
Company Secretary	Marina Nominees Limited Aret Adams House 233 Ikorodu Road, Ilupeju Lagos FRC/2013/00000000001506
Bankers	Access Bank Plc Guaranty Trust Bank Plc Zenith Bank Plc First Bank of Nigeria Limited Stanbic IBTC Bank Union Bank of Nigeria Plc Polaris Bank Nig.Ltd

Corporate information

United Bank for Africa Plc
Keystone Bank Limited
Sterling Bank Limited
Ecobank Nigeria Plc
Fidelity Bank Plc
Heritage Banking company Ltd
Bank of Beirut
First City Monument Bank Plc
Providus bank Nigeria Ltd
Standard Chartered Bank

Re-insurers	African Reinsurance Corporation Continental Reinsurance Plc Munich Reinsurance Company Limited Score Reinsurance WAICA Reinsurance Corporation Plc NCA Reinsurance Company Gallagher Reinsurance /YOA FBS Reinsurance Co.Ltd Nigeria Zep Reinsurance Company
Actuary	Ernst & Young FRC/NAS/00000000738
Estate valuer	Paul Osaji & Co. Estate Surveyors & Valuers FRC/2012/00000000339 25a, Kofo Abayomi Street, Victoria Island , Lagos info@paulosajiandco-ng.com www.paulosajiandco.com

Directors' Report
For the year ended 31 December 2022

The Directors are pleased to present their report on the affairs of Unitrust Insurance Company Limited ("the Company") and subsidiary company ("the Group"), together with the audited financial statements and the auditor's report for the year ended 31 December 2022.

Legal form and principal activity

The Company was incorporated on 9 November 1981 as a private limited liability company "Union Nigeria Insurance Company Limited". The Company's name was changed to Unitrust Insurance Company Limited on 3 May 1983 and obtained a general insurance license from the National Insurance Commission on 13 August 1986. In January 1999, the Company also obtained a license to carry out life insurance business. Following the recapitalisation exercise in February 2007, the Company focused on its general insurance business and discontinued its life. In 2016, the Company changed it name to Saham Unitrust Insurance Nigeria Limited subsequent to the approval of the board and all regulatory agencies. In 2019, the Company changed its name back to Unitrust Insurance Company Limited upon the divestment of Saham Finances SA.

The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such services include provision of general insurance services to both corporate and individual customers.

The Company has one wholly owned subsidiary, Unitrust Global Assets Management Limited. The subsidiary was incorporated as a private limited liability company on 9 January 2001 and its principal activity involves provision of property management services to both individual and corporate clients.

The financial results of the subsidiary have been consolidated in these financial statements.

Operating results

The following is a summary of the Group's and Company's operating results for the year ended 31 December:

	Group 2022	Group 2021	Company 2022	Company 2021
	₦'000	₦'000	₦'000	₦'000
Gross premium written	5,357,608	5,105,109	5,357,608	5,105,109
Profit before taxation	88,478	327,652	92,509	326,231
Taxation	7,602	57,845	7,602	57,845
Profit after taxation	96,080	385,497	100,111	384,076
Total comprehensive income for the year	664,233	1,082,553	668,264	1,081,132
Transfer to contingency reserve	160,728	153,153	160,728	153,153
Transfer to retained earnings (after transfer to contigency reserves)	(64,648)	232,344	(60,617)	230,923
	96,080	385,497	100,111	384,076
Earnings per share - Basic and Diluted (kobo)	2	8	2	8

Directors' Report
For the year ended 31 December 2022

Dividend
The 2021 full year dividend of 3k amounting to a total dividend of N150 million was declared and paid during the year from the retained earnings. No dividend was proposed by the directors for the 2022 financial year.

Bonus share

The Company made no allotment of bonus shares to the Members during the year ended 31 December 2022 (2021: Nil)

Directors and their interests
The Directors of the Company who held office during the year together with their direct and indirect interest in the share capital of the Company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of section 301 of the Companies and Allied Matters Act (CAMA) 2020 were as follows:

			(Number of ordinary shares held)			
			2022 Direct	**2022 Indirect**	**2021 Direct**	**2021 Indirect**
Ms. Gloria Danjuma	-	Chairman	-	3,776,074,446	-	3,776,074,446
Mr. John Ijerheime*	-	Executive Director	-	-	-	-
Adenuga*	-	Executive Director	-	-	-	-
Mr. Ishaya Danjuma	-	Non Executive	148,760,330	250,738,814	148,760,330	250,738,814
Mrs. Chioma Sideso	-	Non Executive	-	29,291,214	-	29,291,214
Chief Samuel Olu Alabi	-	Non Executive	-	380,411	-	-
Mr. Adebayo Adeleke	-	Independent Director	-	-	-	-
Mr. Aminu Ado	-	Non Executive	-	-	-	-

** Resigned effective 31 January 2023*

Exit of Directors
No Director exited from the board in the year 2022

Appointment of directors

No new director was appointed within the reporting period

Subsequent appointment of directors

Mr Adedayo Arowojolu and Mr Kazeem Anibaba were appointed effective 1 February 2023 as the Managing Director/CEO and Executive Director(Technical) respectively following the resignation of Mr. John Ijerheime and Mrs Yetunde Adenuga.

Significant shareholding

The Company's share capital is ₦5.002 billion divided into 5.002 billion ordinary shares of ₦1 each. According to the Register of Members, no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2022:

	2022		2021	
	No. of shares held	**% Holding**	**No. of shares held**	**% Holding**
T.Y. Holding (Nig) Limited	3,776,074,446	75%	3,776,074,446	75%
Chagoury Ronald	380,410,849	8%	380,410,849	8%
Unitrust Investments Limited	380,410,849	8%	380,410,849	8%
Mrs. Grace Danjuma	250,738,815	5%	250,738,815	5%

Directors' Report
For the year ended 31 December 2022

Analysis of shareholding
The analysis of the distribution of the shares of the Company is as follows

	31-Dec-2022			
Share range	**No of Shareholders**	**% of Shareholders**	**No. of Holding**	**% Holding**
1,000,000 – 100,000,000	3	37.5%	65,619,920	1.3%
100,000,001 – 200,000,000	1	12.5%	148,760,330	3.0%
200,000,001 – 400,000,000	3	37.5%	1,011,560,512	20.2%
Above 400,000,000	1	12.5%	3,776,074,446	75.5%
Total	8	100.0%	5,002,015,208	100.0%

	31-Dec-2021			
Share range	**No of Shareholders**	**% of Shareholders**	**No. of Holding**	**% Holding**
1,000,000 – 100,000,000	3	37.5%	65,619,920	1.3%
100,000,001 – 200,000,000	1	12.5%	148,760,330	3.0%
200,000,001 – 400,000,000	3	37.5%	1,011,560,512	20.2%
Above 400,000,000	1	12.5%	3,776,074,446	75.5%
Total	8	100.0%	5,002,015,208	100.0%

Directors' interests in contracts
In accordance with Section 303 of the Companies and Allied Matters Act of Nigeria (CAMA) 2020, none of the Directors has notified the Company of any declarable interest in contracts or proposed contracts during the year.

Property and equipment
Information relating to changes in property and equipment is given in note 22 to the financial statements. In the directors' opinion, the market value of the Group's properties is not less than the carrying value shown in the financial statements.

Donations and charitable gifts
The Company identifies with the aspirations of the community as well as the environment within which it operates and made charitable donations to the under-listed organizations₦6,997,000 (2021: ₦2,250,000) during the year as follows:

Organisations:

	2022	**2021**
	₦	₦
Nigerian Association of Insurer& Pension Correspondents (NAIPCO)	200,000	150,000
Ikorodu general Hospital	-	100,000
Hearth Beat Charity Foundation	250,000	250,000
Adegboyega Adepegba & CO	-	250,000
Nigerian Insurance Association (NIA)	1,000,000	1,500,000
The Nigerian Council of Registered Insurance Brokers	-	-
Professional Insurance Ladies Association (PILA)	250,000	-
Chartered Insurance Institute of Nigeria (CIIN)	4,750,000	-
Guild of Marine surveyors	100,000	-
Society of Energy Administators	250,000	-
ASSBIFI	197,000	-
	6,997,000	**2,250,000**

Directors' Report
For the year ended 31 December 2022

Human Resources

Employment of disabled persons
The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of the applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2022, the Group had one physically disabled person in its employment (2021: one).

Health, safety and welfare of employees
The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Health, safety and fire drills are regularly organized to keep employees alert at all times. Employees are adequately insured against occupational hazards. In addition, the Group provides medical facilities to its employees and their immediate families at its expense.

Diversity in employment

The number and percentage of men and women employed during the financial year ended 31 December 2022 and the comparative year vis-à-vis the total work force is as follows:

	2022				
	Number			%	
	Male	**Female**	**Total**	**Male**	**Female**
Employees	68	49	117	58%	42%

	2021				
	Number			%	
	Male	**Female**	**Total**	**Male**	**Female**
Employees	69	46	115	60%	40%

Gender analysis of management is as follows:

	2022				
	Number			%	
	Male	**Female**	**Total**	**Male**	**Female**
Assistant General Manager	2	2	4	50%	50%
Senior Manager	7	2	9	78%	22%
Manager	7	2	9	78%	22%
Total	**16**	**6**	**22**	**73%**	**27%**

	2021				
	Number			%	
	Male	**Female**	**Total**	**Male**	**Female**
Assistant General Manager	2	2	4	50%	50%
Senior Manager	3	-	3	100%	0%
Manager	10	4	14	71%	29%
Total	**15**	**6**	**21**	**71%**	**29%**

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For the year ended 31 December 2022

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

Acquisition of own shares
The Company did not purchase any of its own shares during the year.

Events after the end of the reporting period
Mr Adedayo Arowojolu and Mr Kazeem Anibaba were appointed effective 1 February 2023 as the Managing Director/CEO and Executive Director (Technical Operations) respectively following the resignation of Mr. John Ijerheime and Mrs Yetunde Adenuga

As at 31 March 2023, Corporate Affairs Commission approved the voluntary liquidation of the Company's subsidiary, Unitrust Gobal Asset Management Ltd

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

Auditors
KPMG Professional Services have indicated their willingness to continue in office as auditors to the Company having satisfied the relevant corporate governance rules on their tenure in office. In accordance with Section 401 (2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

O.A. Adenle
FRC/2013/NBA/00000003277

MARINA NOMINEES LIMITED
FRC/2013/00000000001506
Company Secretary
Aret Adams House
233 Ikorodu Road, Ilupeju Lagos

Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements for the year ended 31 December 2022

The directors accept responsibility for the preparation of the annual report that give a true and fair view in accordance with IFRS Standards as issued by International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM") Circulars.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and seperate financial statements that are free from material misstatement whether due to fraud or error.

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

By order of the Board

Gloria Danjuma (Ms)
Chairman
FRC/2021/003/00000022867
25 April 2023

Adedayo A.Arowojolu
Managing Director /Chief Executive Officer
FRC/2023/PRO/DIR/003/741155
25 April 2023

Statement of Corporate Responsibility for the Consolidated and Seperate Financial Statements for the Year Ended 31 December 2022

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

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

b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited consolidated and 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 2022.

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

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

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

g) That we have disclosed the following information to the Group's Auditors and Audit Committee:

(i) there are no significant deficiencies in the design or operation of internal controls which 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) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

By order of the Board

Adedayo A.Arowojolu
Managing Director /Chief Executive Officer
FRC/2023/PRO/DIR/003/741155
25 April 2023

Oluwasegun Adeoye
Chief Financial Officer
FRC/2014/ICAN/00000006841
25 April 2023

Corporate Governance Report
For the year ended 31 December 2022

Introduction

Unitrust Insurance Company Limited ("Unitrust"or "the Company") recognizes that the implementation of corporate governance standards and practices should have dual objectives of protecting the interest of the shareholders and other stakeholders whilst also enabling the Board and Management to direct and manage the affairs of the Company. The Company is therefore committed to implementing the best practice standards of corporate governance.

The company is mindful of its obligations under the relevant codes of corporate governance such as the National Insurance Commission (NAICOM) Code of Corporate Governance for the Insurance Industry in Nigeria. The Company's Board Charter collectively provide the basis for promoting sound corporate governance in the Company. The Company's core values of excellence, leadership, innovation, professionalism, empowered employees and passion for customers are the bedrock upon which it continues to build its corporate behavior.

In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable Codes of Corporate Governance with particular reference to compliance, disclosures and structure.

The Company commenced compliance with the Nigerian Code of Corporate Governance 2018 (NCCG) on 01 January 2020

Governance structure

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

The Board reviews corporate performance, monitors the implementation of corporate strategy and sets the Company's performance objectives. It also monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to Management. These oversight functions of the Board of Directors are exercised through its various committees. In the course of the year under review, the Board had three (3) Committees to ensure the proper management and direction of the Company via interactive dialogue on a regular basis.

The Board comprises eight (8) members of which six (6) are Non Executive Directors including the Chairman and two (2) Executive Directors.
The details of the composition of the Board is as set out below:

S/N	Name		Designation
1	Ms.Gloria Danjuma	-	Chairman
2	Mr. J.O. Ijerheime*	-	Managing Director/Chief Executive Officer
3	Mr. Adebayo Adeleke	-	Independent Director
4	Mrs. Yetunde Adenuga*	-	Executive Director - Technical
5	Mr. Ishaya Danjuma	-	Non-Executive
6	Mrs. Chioma Sideso	-	Non-Executive
7	Mr. Aminu Ado	-	Non-Executive
8	Chief Samuel Olu Alabi	-	Non-Executive

** Resigned effective 31 January 2023*

The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of the Directors, both executive and non-executive. The Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

The Board is responsible for ensuring the creation and delivery of sustainable value to the Company's stakeholders through its management of the Company's business. The Board is accountable to the shareholders and is responsible for the management of the Company's relationship with its various stakeholders. The Board ensures that the activities of the Company are at all times executed within the relevant regulatory framework.

The Board meets quarterly and additional meetings are convened as and when required. Urgent decisions/resolutions may be passed between meetings by way of written resolutions, as provided for in the Articles of Association of the Company. The Directors are provided with comprehensive information at each of the Board meetings and are also briefed on business developments between Board meetings. The Board met four (4) times during the year ended 31 December 2022.

The table below shows the frequency of meetings of the Board of Directors, as well as members' attendance for the year ended 31 December 2022.

S/N	Name of Director	No of Board meetings	31st March 2022	13th July 2022	13th October 2022	1st December 2022
1	Ms. Gloria Danjuma	4	P	P	P	P
2	Mr. J.O. Ijerheime	4	P	P	P	P
3	Mrs. Yetunde Adenuga	4	P	P	P	P
4	Mrs. Chioma Sideso	4	P	P	P	P
5	Mr. Adebayo Adeleke	4	P	P	P	P
6	Mr. Ishaya Danjuma	1	P	AB	AB	AB
7	Chief S. O Alabi	4	P	P	P	P
8	Mr. Aminu Ado	4	P	P	P	P
9	Mr. Adedayo Arowojolu	N/A	N/A	N/A	N/A	N/A

Keys: **P** = **Present**
N/A = **Not a member as at the date of meeting**
AB = **Absent**

Role and Responsibilities of the Board

- Sets the overall direction of the business
- Designs and maintains good internal control
- Approves the Company's strategic plans
- Approves the appropriation and distribution of profits
- Approves top management's terms of employment
- Monitors and takes decisions on major risks facing the
- Reviews and considers matters reserved for the general Board

Role of key members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons.

The Chairman

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effictively 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 make informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman also ensures that effective relationships and open communications are miantained between executive and non-executive Directors. The Chairman strives to ensure that any disagreements amongst the Directors are resolved amicably.

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 (CEO), who is responsible for leading management and for making and implementing operational decisions. The CEO is responsible to the Board and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is achieved at all times and has the overall responsibility for the Company's financial performance.

Company Secretary
The Company Secretary is a point of reference and support for all Directors. It is the responsibility of the Company Secretary to update the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise.

The Company Secretary is further responsible for assisting the Chairman and CEO to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings are clearly and properly captured.

Nomination process for Directors
The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new non-executive Directors are agreed upon by the Board.

The balance and mix of appropriate skills and experience of non-executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, it is ensured that there is an appriopriate mix with representatives from different industry sectors.

The appointment of Directors is subject to the approval of NAICOM.

Board Committees

The Board carries out its oversight functions through its standing Committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines. In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board's three standing committees are the Board Audit and Compliance Committee, Finance, Investment & General Purposes Committee as well as the Enterprise Risk Management & Governance Committee

Through these Committees, the Board is able to effectively deal with complex and specialized issues and to 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 function in the exercise of their powers as delegated by the Board, with well-defined terms of reference contained in their charters.The Committees render reports to the Board at the quarterly Board meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the committees are as stated hereunder:

- ***Board Audit and Compliance Committee***

Auditing is vital to ensuring that accounting norms for insurance businesses are effectively applied and maintained and to monitor the quality of internal control procedures; ensure compliance with all regulatory directives. The Committee liaises with the External Auditors and management to review audit activities as well as the integrity of the data and information provided in the audit and/or financial reports.

The Committee provides oversight functions with regard to both the Group and Company’s cpnsolidated and seperate financial statements and its internal audit and compliance functions. The Committee ensures compliance with legal and other regulatory requirements, assessment of qualifications and independence of the external auditor; and performance of the Company’s internal audit function as well as that of External Auditors.

The Committee oversees and reviews the technical underwriting strategies of the Company.

The Committee Chairman reports to the Board on deliberations at the meetings and also makes appriopriate recommendations on areas where action or improvement are needed.

The Committee met four (4) times in the year ended 31st December, 2022 on the following dates:

The Audit and compliance Committee comprised the following members during the year under review:

S/N	Name of Director	Position	No of Committee meetings attended	29th March 2022	6th July 2022	6th October 2022	29th Novemebr 2022
1	Mr. A. Adeleke	Chairman	4	P	P	P	P
2	Mrs. Chioma Sideso	Member	4	P	P	P	P
3	Mr. Ishaya Danjuma	Member	3	P	P	P	AB
4	Mr. Aminu Ado	Member	3	N/A	P	P	P

Keys: **P** = **Present**
N/A = **Not a member as at the date of meeting**
AB = **Absent**

- *Finance, Investment and General Purposes Committee*

The Finance, Investment & General Purpose Committee is responsible for oversight functions on major investment strategies and initiatives as well as portfolio limits by the management of the Company. This Committee has supervisory functions over investment and other finance-related issues such as capital structure, cash flows, key financial ratios & funding requirements.

The Committee makes recommendations on financial and investment policies for consideration and adoption by the Board, including proposed ethical positions with respect to appropriate investments and conducts a review of the performance of the major assets in the Company's investment portfolios on a quarterly basis. It oversees significant financial exposures and contingent liabilities of the Company and is responsible for identifying specific areas for review by the Board with respect to any financial matters affecting the Company

It also provides oversight functions over all matters relating to the Company’s human capital requirements and its recruitment process. The Committee advises the Board in relation to compensation and staff benefits. It is also responsible for reviewing and recommending the Company's organizational structure to the Board for approval while protecting the welfare of all employees.

The Committee comprised the following members and met five (5) times during the year under review on the following dates:

S/N	Name of Directors	Position	No of Committee meetings attended	30st March 2022	7th July 2022	7th October 2022	17th November 2022	30th November 2022
1	Mrs. Chioma Sideso	Chairman	5	P	P	P	P	P
2	Mr. J.O. Ijerheime	Member	4	AB	P	P	P	P
3	Mrs. Yetunde Adenuga	Member	5	P	P	P	P	P
4	Mr. Adebayo Adeleke	Member	5	P	P	P	P	P
5	Mr. Ishaya Daniuma	Member	3	P	P	P	AB	AB
6	Chief Samuel. O. Alabi	Member	4	N/A	P	P	P	P

Keys: **P** = **Present**
N/A = **Not a member as at the date of meeting**
AB = **Absent**

- Enterprise Risk Management & Governance Committee

The Committee has supervisory functions over the Company's recruitment process and ensures compliance with corporate governance. The main functions of the Committee are to establish the criteria for Board and Board Committee memberships, review candidates qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.

The Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the Company. The Commitee also defines and provides guidance on acceptable and unacceptable risks. This Committee has supervisory functions over the risk management, risk profile, enterprise-wide risk management framework and the risk-reward strategy as determined by the Board.

The Enterprise Risk Management & Governance comprised of the following members and met four (4) times in the year under review on the following dates:

S/N	Name of Directors	Position	No of Committee meetings attended	30th March 2022	7th July 2022	7th October 2022	30th November 2022
1	Mr. Ishaya Danjuma	Chairman	3	P	P	P	AB
2	Mrs. Chioma Sideso	Member	4	P	P	P	P
3	Mr. J.O. Ijerheime	Member	4	P	P	P	P
4	Mr. Adebayo Adeleke	Member	4	P	P	P	P
5	Mrs. Yetunde Adenuga	Member	4	P	P	P	P

Keys: **P** = **Present**
N/A = **Not a member as at the date of meeting**
AB = **Absent**

Shareholders

Shareholders meetings were duly convened and held in line with the Company's Articles of Association and existing statutory and regulatory regimes in an open manner, for the purpose of deliberating on issues affecting the Company's strategic direction. This occurs through a fair and transparent process and also serves as a medium for promoting interaction between the Board, management and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by the representatives of the National Insurance Commission. The Board ensures that shareholders are provided with adequate notice of meetings. The shareholders have an opportunity to express their concerns (if any) and opinions on the Company’s financial results and all other issues at the meeting.

The Company deals on a timely basis with all enquiries from shareholders which are communicated to management and the Board. The Company also dispatches its annual reports, providing highlights of all the Company’s activities to its shareholders.

Protection of shareholders' right

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings.

Independent advice

The Board of Directors are at their own discretion and at the Company’s expense may seek Independent professional advice if required to enable a Director effectively perform certain responsibilities.

Monitoring compliance with corporate governance

- *Compliance Officer*
The Compliance Officer monitors compliance with Laws, regulations and money laundering requirements and the implementation of the Corporate Governance Codes of the Company. The Compliance Officer together with the CEO certifies each year to NAICOM that they are not aware of any violation of the Corporate Governance Code, other than as disclosed during the course of the year.

- *Whistle blowing procedures*
In line with the Company's commitment to instill the best corporate governance practices, a whistle blowing procedure was established that ensures anonymity on any reported incidents.

Code of professional conduct for employees

The Company has in place, a Code of Conduct which specifies expected behaviour of its employees and Directors. The code is designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethics and principles. The Code requires each employee to read the Code and sign a confirmation that he or she has understood the content. The Company also has a disciplinary guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head of Human Resources is responsible for the design and implementation of the Code of Conduct while the Compliance Officer is responsible for monitoring and ensuring compliance.

Non-Executive Directors' remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NCCG and NAICOM codes of corporate governance. Director's fees and sitting allowances were paid to only non-executive Directors as recommended by the Board Governance Committee. Directors remuneration are disclosed and approved by the Shareholders at the Annual General Meeting.

Management's Commentary and Analysis

For the year ended 31 December 2022

In order to foster deeper understanding of our strategy, operating risk and performance and also in compliance with regulatory requirements, we have outlined a Management's Commentary and Analysis (“MC&A”) report as contained hereunder.

This MC&A has been prepared as at 31 December 2022 and should be read in conjunction with the consolidated financial statements of Unitrust Insurance Company Limited and subsidiary company.

Nature of business

Unitrust Insurance Company Limited's major business activity is insurance. However, the Group is currently involved in property management business while also developing its capacity for expansion in the industry.

Business objective and strategy

Unitrust Insurance Company Limited is registered and incorporated in Nigeria. The Company is principally engaged in providing insurance services to cater for the needs of corporate and retail sectors of the Nigerian economy.

The Company aims to evolve into a truly diversified financial services institution that provides protection against all forms of insurable risks to all customer segments.

The Company implemented the NAICOM directive on "no premium no cover policy" from 1 January 2013. The policy aims to stimulate liquidity within the system by reducing the huge receivables being carried on the statement of financial position of insurance companies. This has positively impacted the income statements of insurance companies by eliminating the large portion of provision for outstanding premium charged for the receivables and made available more cash which can be used to generate more investment income.

On the other hand, this has reduced the premium income recognised by companies initially (as premium would only be recognised when cash is received) but the situation would normalize as the insured public adjust their cashflow management to the new regulation.

Performance indicators

Operating results and financial condition

	Group				**Company**			
	31-Dec-2022	**31-Dec-2021**	**Change**	**Change**	**31-Dec-2022**	**31-Dec-2021**	**Change**	**Change**
	₦'000	**₦'000**	**₦'000**	**%**	**₦'000**	**₦'000**	**₦'000**	**%**
Gross premium written	5,357,608	5,105,109	252,499	5%	5,357,608	5,105,109	252,499	5%
Net premium income	2,694,167	2,342,147	352,020	15%	2,694,167	2,342,147	352,020	15%
Underwriting profit	**283,821**	**425,080**	**(141,259)**	**-33%**	**283,821**	**425,080**	**(141,259)**	**-33%**
Total Investment income	830,672	796,336	34,336	4%	830,672	796,336	34,336	4%
Claims expense(net)	1,382,012	965,822	416,190	43%	1,382,012	965,822	416,190	43%
Recovery on Financial asset	-	1,800	(1,800)	0%	-	1,800	(1,800)	0%
Impairment losses/(write-back) on financial instruments	7,023	9,822	(2,799)	-29%	7,023	9,822	(2,799)	-29%
Other operating expenses	(638,492)	(551,591)	(86,901)	16%	(634,461)	(553,012)	(81,449)	15%
Profit before tax	**88,478**	**327,652**	**(239,174)**	**-73%**	**92,509**	**326,231**	**(233,722)**	**-72%**
Basic earnings per share (kobo)	1.9	8.3	(6.0)	-77%	2.0	8.3	(6.0)	-76%

The Company experienced a 5% increase in Gross premium written when compared to prior year result. This increase was mainly attributable to strategic partnership and increase in market drive.

Management's Commentary and Analysis

For the year ended 31 December 2022

Revenue and underwriting result

The increase in the Company's level of activity was reflected in the increase in the Gross premium written to N5.358 billion (2021:N5.105 billion). The underwriting profit amounted to ₦283.8million, a decrease of ₦141.3million over 31 December 2021 amount. The Company had net claims expenses of ₦1.38billion, an increase of ₦416million over the December 2021 amount.

Investment income

Investment income increased by 5% from ₦796million to ₦833.3million. The Company has restrategized and will continue to intensify it's efforts to ensure that investment income remains a key revenue source.

Operating expenses

Operating expenses for the year amounted to ₦638.5million (Company: ₦634.5million), an increase of ₦86.9million (Company: ₦81.5million) compared to prior year.

Liquidity, capital resources and risk factors

The Group's investment is in accordance with its investments policy which is compliant with regulatory requirements. The Group's investment strategy is underpinned by a focus on highly liquid financial instruments such as term deposit, equity and debt instruments. At the end of December 2022, the Group had ₦6.98billion in amortised cost financial assets, ₦2.13billion in cash and cash equivalents and ₦335.9million in equity instruments fair valued through other comprehensive income.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. The Group has a net asset position of ₦15.87billion (Company: ₦15.82billion), an increase of ₦638million (Company: ₦642million).

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

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020, the members of the Audit Committee of Unitrust Insurance Company Limited hereby, report on the consolidated and seperate financial statements for the year ended 31 December 2022 as follows:

- We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

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

- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and the effectiveness of the Company's system of accounting and internal control.

Mr. Adebayo . A . Adeleke
Chairman, Audit and Compliance Committee
FRC/2013/NIM/00000002317
25 April 2023

- ***Members of the Committee:***

Mr. A . A . Adeleke	-	Chairman
Ishaya Danjuma	-	Non - Executive Director (member)
Mrs Chioma Sideso	-	Non - Executive Director (member)
Mr. Aminu Ado	-	Non - Executive Director (member)

- Composition of the member of the committee are in accordance with the provisions of the Nigerian Code of Corporate Governance (NCCG) 2018.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unitrust Insurance Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Unitrust Insurance Company Limited ("the Company") and its subsidiary (together, "the Group"), which comprise:

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of insurance contract liabilities (2022: N 3.5bn; 2021: N3.20 bn)
The valuation of insurance contract liabilities involves high estimation uncertainties and requires management to apply significant judgment and assumptions over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have been incurred but are yet to be reported in respect of insurance contract liabilities involves judgment and assumptions such as inflation rates and discount rates whose eventual outcomes are uncertain and may deviate from the estimates.

The level of complexity, the significant judgment and the assumptions applied by management in estimating these amounts resulted in the valuation of insurance contract liabilities being a matter of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following;

- We evaluated the design and operating effectiveness of key controls designed to ensure the completeness and accuracy of the data used in the actuarial process, including key data reconciliations and management's review of loss estimates.

- With the assistance of our actuarial specialist, we evaluated whether the Company's methodology used in determining the Incurred But Not Reported (IBNR) claims reserve is applied appropriately and is in accordance with the Company's accounting policies, relevant accounting standards and actuarial methodologies.

- With the assistance of our actuarial specialist, we assessed the appropriateness of the overall level of the IBNR claims reserve.

- We evaluated the appropriateness and reasonableness of key judgements and assumptions included in the determination of the estimate. The key assumptions include assumptions relating to large losses, period-to-period loss development factors, average and ultimate loss factors and the expected ultimate losses.

Refer to Note 4(p) (accounting policies), Note 6 (critical accounting estimates and judgments), Note 24 (insurance contract liabilities) and Note 7(b) (insurance risk).

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' report, Statement of corporate responsibilities, Corporate governance report, Management's commentary and analysis, Statement of directors' responsibilities, Report of the Audit and Compliance Committee, Corporate governance report, and Other national disclosures, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books. and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Penalties

The Company did not pay any penalties to the National Insurance Commission during the financial year.

Nneka

Nneka Eluma, FCA
FRC/2013/ICAN/00000000785
For: KPMG Professional Services
Chartered Accountants
22 June 2023
Lagos, Nigeria

Consolidated and Separate Statements of Financial Position

As at

(All amounts are in thousands of naira)

		Group		Company	
	Note	**31-Dec-2022**	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Assets					
Cash and cash equivalents	10	2,127,612	1,911,340	2,127,293	1,911,019
Financial assets:					
- Fair Value through other comprehensive income	11	335,871	345,179	335,871	345,179
- Amortized Cost	12	6,981,668	7,131,057	6,981,668	7,131,057
Trade receivables	13	43,397	20,196	43,397	20,196
Reinsurance assets	14	1,818,706	1,983,448	1,818,706	1,983,448
Deferred acquisition cost	15	231,502	185,255	231,502	185,255
Other receivables and prepayments	16	80,802	67,178	73,625	67,178
Investments in finance lease	17	71,043	38,097	71,043	38,097
Investment in Associates	18	82,300	76,922	82,300	76,922
Investment in subsidiary	19	-	-	1,000	1,000
Investment property	20	493,000	493,000	493,000	493,000
Intangible assets	21	70,455	24,642	70,455	24,642
Property and equipment	22	7,568,767	7,049,819	7,568,767	7,049,819
Statutory deposits	23	315,000	315,000	315,000	315,000
Total assets		**20,220,123**	**19,641,133**	**20,213,627**	**19,641,812**
Liabilities					
Insurance contract liabilities	24	3,499,821	3,200,972	3,499,821	3,200,972
Trade payables	25	501,733	556,233	501,733	556,233
Accruals and other payables	26	162,822	186,543	207,050	241,977
Current income tax liabilities	27	45,620	23,367	42,170	19,917
Deferred tax liabilities	28	268,179	446,242	268,179	446,242
Total liabilities		**4,478,175**	**4,413,357**	**4,518,953**	**4,465,341**
Net assets		**15,741,948**	**15,227,776**	**15,694,674**	**15,176,471**
Equity					
Share capital	29	5,002,015	5,002,015	5,002,015	5,002,015
Share premium	29(b)	872,369	872,369	872,369	872,369
Contingency reserve	30	2,904,408	2,743,680	2,904,408	2,743,680
Retained earnings	31	902,879	1,117,588	855,605	1,066,283
Asset revaluation reserve	32	6,150,797	5,573,336	6,150,797	5,573,336
Fair value reserve	33	(90,520)	(81,212)	(90,520)	(81,212)
Total equity		**15,741,948**	**15,227,776**	**15,694,674**	**15,176,471**
Total liabilities and equity		**20,220,123**	**19,641,133**	**20,213,627**	**19,641,812**

The consolidated and seperate financial statements and accompanying notes were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:

Gloria Danjuma (Ms)
Chairman
FRC/2021/003/00000022867

Adedayo A.Arowojolu
Managing Director /Chief Executive
FRC/2023/PRO/DIR/003/741155

Oluwasegun Adeoye
Chief Financial Officer
FRC/2014/ICAN/00000006841

The accompanying notes form an integral part of these consolidated and seperate financial statements.

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

For the year ended 31 December 2022

(All amounts are in thousands of naira)

	Note	Group		Company	
		31-Dec-2022	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Gross premium written	35	**5,357,608**	**5,105,109**	**5,357,608**	**5,105,109**
Gross premium income	36	5,272,425	4,600,232	5,272,425	4,600,232
Reinsurance expenses	37	(2,578,258)	(2,258,085)	(2,578,258)	(2,258,085)
Net premium income		2,694,167	2,342,147	2,694,167	2,342,147
Commission income	38	378,641	355,073	378,641	355,073
Net underwriting income		**3,072,808**	**2,697,220**	**3,072,808**	**2,697,220**
Claims expenses (Gross)	39	2,152,622	1,445,355	2,152,622	1,445,355
Net claims expenses recovered from reinsurers	39	(770,610)	(479,533)	(770,610)	(479,533)
Claims expenses (Net)		1,382,012	965,822	1,382,012	965,822
Underwriting expenses	40	1,406,975	1,306,318	1,406,975	1,306,318
Total underwriting expenses		**2,788,987**	**2,272,140**	**2,788,987**	**2,272,140**
Underwriting profit		**283,821**	**425,080**	**283,821**	**425,080**
Investment income	41	543,345	465,344	543,345	465,344
Net gains on foreign exchange translation	42	231,912	192,164	231,912	192,164
Net fair value gains on investment property at fair value through profit or loss	42 (a)	-	102,000	-	102,000
Share of Profit /(loss) on equity accounted investee	42(b)	5,378	(8,470)	5,378	(8,470)
Other operating income	43	50,037	45,298	50,037	45,298
Total investment income		830,672	796,336	830,672	796,336
Net operating income		**1,114,494**	**1,221,416**	**1,114,494**	**1,221,416**
Employee benefit expense	44	(254,950)	(218,781)	(254,950)	(218,781)
Amortization	21	(19,973)	(19,079)	(19,973)	(19,079)
Depreciation	22	(119,624)	(114,135)	(119,624)	(114,135)
Other operating expenses	45	(638,492)	(551,591)	(634,461)	(553,012)
		(1,033,039)	(903,586)	(1,029,008)	(905,007)
Recovery on Financial asset	46	-	1,800	-	1,800
Impairment loss on Cash & cash equivalent	10 (a)	(576)	(132)	(576)	(132)
Impairment write-back on Investment at Amortised cost	12 (c)	7,598	8,154	7,598	8,154
		(1,026,016)	**(893,764)**	**(1,021,985)**	**(895,185)**
Profit before tax		**88,478**	**327,652**	**92,509**	**326,231**
Income tax credit	47	7,602	57,845	7,602	57,845
Profit after tax for the year		**96,080**	**385,497**	**100,111**	**384,076**

Other comprehensive income					
Items that will never be reclassified to profit or loss		-	-	-	-
Fair value gain on revaluation of land and building	32	441,660	894,331	441,660	894,331
Tax impact of revaluation decrease/(increase)	32	135,801	(189,787)	135,801	(189,787)
Fair value gain/ (loss) on Fair value through other comprehensive income					
- Fair value changes in quoted securities	33	(17,822)	(18,241)	(17,822)	(18,241)
- Fair value changes in unquoted securities	33	8,514	10,753	8,514	10,753
Other comprehensive income for the year, net of tax		**568,153**	**697,056**	**568,153**	**697,056**
Total comprehensive income for the year		**664,233**	**1,082,553**	**668,264**	**1,081,132**
Total comprehensive income attributable to the Shareholders		664,233	1,082,553	668,264	1,081,132
Earning per share - Basic and Diluted (kobo)	34	2	8	2	8

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2022

GROUP

	Attributable to the equity holders of the Group						
	Share capital	**Share premium**	**Contingency reserve**	**Asset revaluation reserve**	**Fair value reserve**	**Retained earnings**	**Total equity**
At 1 January 2022	5,002,015	872,369	2,743,680	5,573,336	(81,212)	1,117,588	15,227,776
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	-	96,080	96,080
Other comprehensive income for the year	-	-	-	577,461	(9,308)	-	568,153
Total comprehensive income for the year	-	-	-	577,461	(9,308)	96,080	664,233
Transactions with owners:							
Transaction to contigency reserves	-	-	160,728	-	-	(160,728)	-
Dividend to equity holders	-	-	-	-	-	(150,061)	(150,061)
Total transactions with owners	-	-	160,728	-	-	(310,789)	(150,061)
At 31 December 2022	**5,002,015**	**872,369**	**2,904,408**	**6,150,797**	**(90,520)**	**902,879**	**15,741,948**

	Attributable to the equity holders of the Group						
	Share capital	**Share premium**	**Contingency reserve**	**Asset revaluation reserve**	**Fair value reserve**	**Retained earnings**	**Total equity**
At 1 January 2021	5,002,015	872,369	2,590,527	4,868,792	(73,724)	1,109,337	14,369,316
Impact of previously unrecognised reserves from associate	-	-	-	-	-	(24,012)	(24,012)
Adjusted opening balance	5,002,015	872,369	2,590,527	4,868,792	(73,724)	1,085,325	14,345,304
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	-	385,497	385,497
Other comprehensive income for the year	-	-	-	704,544	(7,488)	-	697,056
Total comprehensive income for the year	-	-	-	704,544	(7,488)	385,497	1,082,553
Transactions with owners:							
Transaction to contigency	-	-	153,153	-	-	(153,153)	-
Capitalized dividend to equity holders	-	-	-	-	-	(200,081)	(200,081)
Total transactions with owners	-	-	153,153	-	-	(353,234)	(200,081)
At 31 December 2021	**5,002,015**	**872,369**	**2,743,680**	**5,573,336**	**(81,212)**	**1,117,588**	**15,227,776**

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2022

COMPANY

	Attributable to the equity holders of the Company						
	Share capital	**Share premium**	**Contingency reserve**	**Asset revaluation reserve**	**Fair value reserve**	**Retained earnings**	**Total equity**
At 1 January 2022	5,002,015	872,369	2,743,680	5,573,336	(81,212)	1,066,283	15,176,471
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	-	100,111	100,111
Other comprehensive income for the year	-	-	-	577,461	(9,308)	-	568,153
Total comprehensive income for the year	-	-	-	577,461	(9,308)	100,111	668,264
Transactions with owners:							
Transaction to contigency reserves	-	-	160,728	-	-	(160,728)	-
Dividend to equity holders	-	-	-	-	-	(150,061)	(150,061)
Total transactions with owners	-	-	160,728	-	-	(310,789)	(150,061)
At 31 December 2022	**5,002,015**	**872,369**	**2,904,408**	**6,150,797**	**(90,520)**	**855,605**	**15,694,674**

	Attributable to the equity holders of the Company						
	Share capital	**Share premium**	**Contingency reserve**	**Asset revaluation reserve**	**Fair value reserve**	**Retained earnings**	**Total equity**
At 1 January 2021	5,002,015	872,369	2,590,527	4,868,792	(73,724)	1,059,453	14,319,432
Impact of previously unrecognised reserves.	-		-	-	-	(24,012)	(24,012)
Adjusted opening balance	5,002,015	-	2,590,527	4,868,792	(73,724)	1,035,441	14,295,420
Total comprehensive income for							
Profit for the year	-	-	-	-	-	384,076	384,076
Other comprehensive income for the year	-	-	-	704,544	(7,488)	-	697,056
Total comprehensive income for the year	-	-	-	704,544	(7,488)	384,076	1,081,132
Transactions with owners:							
Transaction to contigency	-	-	153,153	-	-	(153,153)	-
Capitalized dividend to equity holders	-	-	-	-	-	(200,081)	(200,081)
Total transactions with owners	-	-	153,153	-	-	(353,234)	(200,081)
At 31 December 2021	**5,002,015**	**-**	**2,743,680**	**5,573,336**	**(81,212)**	**1,066,283**	**15,176,471**

The accompanying notes form an integral part of these consolidated and seperate financial statements.

Consolidated and Separate Statements of Cash Flows `

(All amounts are in thousands of naira)

	Note	Group		Company	
		31-Dec-2022	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Cash flows from operating activities					
Cash premium received	49(i)	5,124,733	4,852,952	5,124,733	4,852,952
Reinsurance payments	49(ii)	(2,597,563)	(2,608,184)	(2,597,563)	(2,608,184)
M&D payment	14(d)	(37,885)	(44,731)	(37,885)	(44,731)
Claims paid	39	(1,938,957)	(1,901,626)	(1,938,957)	(1,901,626)
Premium received in advance	25	163,098	209,674	163,098	209,674
Reinsurance claim recoveries	49(iii)	972,975	716,215	972,975	716,215
Commission paid	49(v)	(1,028,333)	(984,528)	(1,028,333)	(984,528)
Commission received	38	390,283	402,083	390,283	402,083
Other underwriting expense paid	49(iv)	(424,888)	(398,734)	(424,888)	(398,734)
Cash payment to and on behalf of employees	49(iv)	(254,950)	(218,781)	(254,950)	(218,781)
Other income	49(x)	38,808	55,644	38,808	55,644
Other operating cash payments		(693,391)	(547,033)	(693,389)	(547,033)
		(286,069)	**(467,049)**	**(286,068)**	**(467,049)**
Income tax paid	27	(12,407)	(39,355)	(12,407)	(39,355)
VAT paid		(6,425)	(5,798)	(6,425)	(5,798)
Net cash used in operating activities		**(304,901)**	**(512,202)**	**(304,900)**	**(512,202)**
Cash flows from investing activities					
Purchase of quoted debt securities - amortised cost	12 (a)	(1,305,483)	(1,640,476)	(1,305,483)	(1,640,476)
Purchase of placements & commercial papers - amortised cost	12 (b)	(319,449)	(430,995)	(319,449)	(430,995)
Redemption of quoted debt securities - amortised cost	12 (a)	2,072,962	2,293,942	2,072,962	2,293,942
Redemption of placements & commercial papers - amortised cost	12 (b)	127,924	420,189	127,924	420,189
Interest received	49(vii)	87,462	48,803	87,462	48,803
Dividend income on fair value through other comprehensive income	49(vi)	26,923	25,965	26,923	25,965
Additions to finance lease	17	(85,100)	(39,076)	(85,100)	(39,076)
Payment on finance lease	17	60,447	30,861	60,447	30,861
Staff loan granted	12 (d)(i)	(114,997)	(94,028)	(114,997)	(94,028)
Staff loan repaid	12 (d)(i)	116,698	92,758	116,698	92,758
Purchase of intangible assets	49(xi)	(42,116)	(11,508)	(42,116)	(11,508)
Purchase of property and equipment	22	(203,760)	(232,448)	(203,760)	(232,448)
Proceeds from the sale of property and equipment	49(viii)	18,077	3,429	18,077	3,429
Net cash generated from investing activities		**439,588**	**467,416**	**439,588**	**467,416**
Cash flows from financing activities					
Dividends paid to owners	49(ix)	(149,750)	(199,666)	(149,750)	(199,666)
Net cash used in financing activities		**(149,750)**	**(199,666)**	**(149,750)**	**(199,666)**
Net decrease in cash and cash equivalents		(15,063)	(244,452)	(15,062)	(244,452)
Cash and cash equivalents at beginning of year		1,913,020	1,965,308	1,912,699	1,964,987
Effect of exchange difference on cash and cash equivalents	42	231,912	192,164	231,912	192,164
Cash and cash equivalents at end of year	10b	**2,129,869**	**1,913,020**	**2,129,549**	**1,912,699**

Notes to the Consolidated and Separate Financial Statements
Statements of Accounting Policies

1 Legal entity

Unitrust Insurance Company Limited ("the Company") was incorporated on 9 November 1981 as a private limited liability company as "Union Nigeria Insurance Company Limited". The address of the Company's registered office is Plot 105B, Ajose Adeogun Victoria Island, Lagos. The Company's name was changed to Unitrust Insurance Company Limited on 3 May 1983 and obtained general and life insurance licenses from the National lnsurance Commission on 13 August 1986 and 10 January 1999 respectively. Following the recapitalisation exercise in February 2007, the Company focused on its general insurance business and discontinued its life business in 2007.In 2016, the Company changed it name to Saham Unitrust Insurance Nigeria Limited subsequent to the approval of the board and all regulatory agencies. In 2019, the Company changed its name back to Unitrust Insurance Company Limited upon the divestment of Saham Finances SA.

The Company's principal activity continues to be provision of risk underwriting and related financial services to its customers. Such services include provision of general insurance services to both corporate and individual customers.

The Company has one wholly owned subsidiary, Unitrust Global Assets Management Limited. The subsidiary was incorporated as a private limited liability company on 9 January 2001 and its principal activity involves provision of property management services to both individual and corporate clients.This subsidiary is in the process of being wound up.
The financial results of the subsidiary have been consolidated in these financial statements.

2 Basis of preparation

These consolidated and separate financial statements are prepared in accordance with IFRS Standards as issued by International Accounting Standards Board (IASB). They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investment property except for financial assets which are measured at fair value through other comprehensive income, fair value through profit of loss and amortized cost.

The Directors are of the opinion that the Company will continue as a going concern for the foreseeable future.

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board) and in the manner required by the Companies and Allied Matters Act of Nigeria(CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria, and relevant National Insurance Commission (NAICOM) guidelines and circulars, to the extent that they do not conflict with the requirement of IFRS.

The consolidated financial statements were approved and authorized for issue by the Board of directors on 25 April 2023

(b) Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost basis except for the following:
(i) Financial instruments at fair value through profit or loss are measured at fair value
(ii) Financial instruments at fair value through other comprehensive income are measured at fair value.
(iii) Land and buildings are carried at revalued amount.
(iv) Investment properties are measured at fair value.
(v) Loans and receivables are measured at Amortized cost
(vi) Insurance Liabilities are based on actuarial valuations

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and seperate financial statements are described in note 6.

Notes to the Consolidated and Separate Financial Statements
Statements of Accounting Policies

(e) Regulatory authority and financial reporting

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

i) Section 20(1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;

ii) Section 20(1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 4(o) on accounting policy for outstanding claims;

iii) Sections 21(1a) and 22(1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note 5(w) to cover fluctuations in securities and variation in statistical estimates;

iv) Section 24 requires the maintainenance of a margin of solvency to be calculated in accordance with the Act.

(v) Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria.

(vi) Section 25(1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 7 for assets allocation that covers policy holders' funds.

However, section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and the provision of other Acts, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

3 Changes in accounting policy and disclosures

3.1 Standards and interpretations effective during the reporting year

Amendments to the following standard became effective in the annual period starting from 1st January, 2022. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform
The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:
– the change is necessary as a direct consequence of the reform; and
– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

3.2a New standards, interpretations and amendments to existing standards that are not yet effective

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

• IFRS 17 including amendments Initial application of IFRS 17 and IFRS 9 –Comparative Information

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

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

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

Notes to the Consolidated and Separate Financial Statements
Statements of Accounting Policies

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

The assessment is in the preliminary stage and the actual impact of adopting IFRS 17 on 1 January 2023 and 2022 will materialise after:
• the Group has refined the new accounting processes and internal controls required for applying IFRS 17;
• the Group has finalised the testing and assessment of controls over its new IT systems and changes to its governance framework

Identifying contracts in the scope of IFRS 17 *[IFRS 17.C1]*
IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participatory feature (DPF).
When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components, and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

Level of aggregation *[IFRS 17.14, 16, 22, A]*
Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:
• any contracts that are onerous on initial recognition;
• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
• any remaining contracts in the annual cohort

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.
The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognised immediately (see (v) and (vi)). Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

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

i) Insurance contracts
For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:
• the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
• the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

ii) Reinsurance contracts
For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:
• has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
• has a substantive right to terminate the coverage.

Measurement – Overview
IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.
Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:
• the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
• the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
• the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.
All insurance contracts and investment contracts with DPF in the Participating segment are expected to be classified as direct participating contracts.

Notes to the Consolidated and Separate Financial Statements
Statements of Accounting Policies

Premium Allocation Approach (PAA)
The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. For an explanation of how the Group will apply the PAA.
The Group expects that it will apply the PAA to all contracts in the Non-life segment because the following criteria are expected to be met at inception.
• Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.
• Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above

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

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

Presentation and disclosure
IFRS 17 will significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in the Group's consolidated financial statements.
Under IFRS 17, portfolios of insurance contracts and investment contracts with DPF that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.
Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into
(a) an insurance service result, comprising insurance revenue and insurance service expenses; and
(b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.
The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

- **Insurance service result**
For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.
For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.
Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

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

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

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

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

Notes to the Consolidated and Separate Financial Statements
Statements of Accounting Policies

Other standards include:

New or amended standards	Summary of the requirements	Possible impact on Consolidated financial statements
Amendments to IAS 1 and IFRS Practice Statement 2 - *Disclosure Initiative: Accounting Policies*	The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: • requiring companies to disclose their material accounting policies rather than their significant accounting policies; • clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and • clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements; The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are effective from 1 January 2023	The Group does not anticipate early adopting the standard and is currently assessing the impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2023.
Amendment to IAS 12 - *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. The standard is effective for annual periods beginning on or after 1 January 2023.	The Group does not anticipate early adopting the standard and is currently assessing the impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2023.
Amendment to IFRS 16 - *Lease Liability in a Sale and Leaseback*	Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. The amendments confirm the following. • On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments	The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2023.

Notes to the Consolidated and Separate Financial Statements
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Amendments to IAS 1 - Classification of liabilities as current or non-current	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation The standard is effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.	The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2024.
Amendments to IAS 8 - Definition of Accounting Estimates	This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarifies the following: • an entity develops an accounting estimate to achieve the objective set out by an accounting policy. • developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. • a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. • a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.	The Group does not anticipate early adopting the standard and is currently assessing the impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2023.

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4 Significant Accounting policies

These principal accounting policies set out below have been consistently applied for all years presented, except for the changes explained in Note 3.

(A) Basis of Consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.
Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(i) *Associate*

An associate is an entity over which the Group has significant influence. 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 considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in the associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not recognized separately. The statement of profit or loss reflects the Group's share of the operational results of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI.

In addition, changes are recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

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

(iii) Transactions eliminated on consolidation

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

(iv) Non-controlling interests

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

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(B) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income' or 'Other operating expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the fair value of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss; other changes in carrying amount are recognised in 'other comprehensive income'.
Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'.

(C) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of less than three months from the date of acquisition, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(D) Financial assets and liabilities

The group classifies its financial assets into the following categories: fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification is determined by management at initial recognition and depends on the objective of the business model.

(i) Classification and Measurements

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 entity's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to The Entity as at 31 December 2022 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.

(ii) Business Model Assessment

Business model assessment involves determining if financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level which reflects how the assets are managed together to achieve a particular business objective.

(iii) Financial assets at fair value through profit and loss

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

Financial instruments included in this category are 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 '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'.

(iv) Financial assets at fair value through other comprehensive income

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).

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(v) Financial assets measured at amortized cost

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

(vi) Recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss are subsequently carried at fair value. Other financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of Investment income when the Group's right to receive payments is established.

Interest on financial assets fair value through other comprehensive income calculated using the effective interest method is recognised in the income statement. Dividends on equity instruments fair value through other comprehensive income are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

(vii) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. 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 (for example, NIBOR, MPR etc.) existing at the dates of the statement of financial position.

The Group uses widely recognised money market rates in determining fair values of non-standardised financial instruments of lower complexity like placements, and treasury bills. These financial instruments models are generally market observable. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less any impairments. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

(viii) De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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(ix) Reclassification of financial assets

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

Reclassification of financial assets occurs when The Entity 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.

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the entity's business model objective for its financial assets changes so its previous business model assessment would no longer apply.
IFRS 9 does not allow reclassification:

- when the fair value option has been elected in any circumstance for a financial asset;
- or equity investments (measured at FVTPL or FVTOCI); or
- for financial liabilities.

If an entity reclassifies a financial asset, it is required to apply the reclassification prospectively from the reclassification date, defined as the first day of the first reporting period following the change in business model that results in the entity reclassifying financial assets. Previously recognised gains, losses (including impairment gains or losses) or interest are not restated.
All impairment losses are recognized through profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the income statement and is recognized as part of the impairment loss. The amount of the loss recognized in the income statement is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

(x) Impairment of financial assets

Financial assets carried at amortized cost and FVTOCI

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, an entity 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.

The Entity 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 advances to customers, Other Loans and receivables, Financial guarantee contracts issued and Loan commitments issued. The Entity 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 Entity 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 Entity 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 Effective Interest Rate(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 Entity's process to assess changes in credit risk is multi-factor and has three main elements;

I. Quantitative element, a quantitative comparison of Probability of Default(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 is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, The Entity groups its exposures on the basis of shared credit risk characteristics.

No impairment reserve is set on financial assets measured at fair value through profit and loss.

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Significant increase in credit risk

The Entity 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 Entity 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. The forms the basis of stage 1, 2 and 3 classification and subsequent migration.

The Entity 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 Entity'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 Entity 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 Insurance entitys and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was 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 Entity 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 de-recognition; 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 entity'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 entity; and
c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is 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.

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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.

(xi) Financial liabilities

Classification and subsequent measurement

i. Amortized cost,
ii. Fair Value through Profit or Loss (FVTPL)

Financial Liabilities at fair value through profit or loss

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 group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. 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.

Financial Liabilities at amortized cost

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.

Offsetting financial instruments

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

(xii) 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. IAS 39 favours the use of the incurred loss model in estimating the impairment of its receivables. However, the Expected Credit Losses (ECL) method of impairment calculation is enforced.

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.

After analysing this financial instrument based on NAICOM "No Premium No Cover" guidelines, a nil impairment standpoint was taken.

The impairment requirements of IFRS 9 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.

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Calculation of Expected Credit Losses

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:

- 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 LGD ratios 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 rage 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.

(E) Impairment of assets

(i) *Trade receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. An allowance for impairment is made when there is objective evidence of impairment. One of the impairment triggers for trade receivables from brokers is the age of the debt - when the amount receivable is outstanding for more than 30 days after the reporting date. 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, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

(ii) *Non-financial assets*

The Group's non-financial assets with carrying amounts other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

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

(F) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from the group of similar transactions.

(G) Reinsurance assets

These are receivables that arise from reinsurance contracts.The details of recognition and measurement of reinsurance contracts have been set out below:

Reinsurance asset and Liabilities

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when incurred.

The Group has the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance recoverables are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in the income statement.

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(H) Deferred acquisition costs

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

(I) Other receivables and prepayments

Other receivables are stated at amortised cost less impairment/ECL in line IFRS 9. These are receivables other than investment securities, insurance trade receivables and reinsurance assets. When a debt is deemed not collectible, it is written off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.
Prepayments represent prepaid expenses and are carried at cost less amortisation expensed in profit or loss.

(J) Leases

(i) Group As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price.The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or beforethe commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from thecommencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets in 'property and equipment' and lease liabilities shown separately in the statement of financial position.

(ii) Group As a Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

(iii) Short-term leases and leases of low-value assets

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

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(K) Investment properties

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both.

Investment property is initially recognized at cost including transaction costs The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued. Any gain and loss arising from a change in the fair value is recognized in the income statement.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in the valuation reserve is transferred to retained earnings.

Investment properties are disclosed separate from the property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property plant and equipment.

(i) De-recognised:

An investment property should be de-recognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and will be recognised in the Statement of profit or loss in the year of derecognition.

(L) Intangible assets
Software

Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Group.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Maintenance costs should not be included.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years subject to annual reassessment.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) De-recognition

An intangible asset shall be derecognized if the asset is disposed or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss.

(M) Property and equipment

(i) Initial recognition

Property and equipment comprise land, buildings and other properties owned by the Group.

Items of property and equipment are initially recognized at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.

(ii) Subsequent costs

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

(iii) Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and accumulated impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date.

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

When the value of an individual property 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 property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit and loss.

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(iv) Depreciation

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date. Depreciation is charged on property and equipments when the asset is avaliable for use.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated useful lives, as follows:

Leasehold land	-	Not depreciated
Building & Leasehold Improvements	-	50 years
Office equipment	-	5 years
Computer hardware	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	5 years

Land is not to be depreciated. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(v) De-recognition

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of assets are determined by comparing the net proceeds with their carrying amounts and are recognized in profit or loss in the year of de-recognition.

(N) Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in investment income.

(O) Insurance contract - classification

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

Insurance contract - Recognition and measurement

(i) Premiums

Gross premium written comprise the premiums received on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is in compliance with Section 50 of the Insurance Act, 2003 and the National Insurance Commission Guidelines on Insurance Premium Collection and Remittance (effective 1 January 2013) on “No Premium, No Cover”. Gross premium earned represents premium as earned from the date of attachment of risk, over the insurance period on a time apportionment basis.

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

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of premium earned.

(ii) Unearned premiums

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

(iii) Reinsurance

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

(a) Reinsurance asset and Liabilities

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when incurred.

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The Group had the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance recoverables are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in the income statement.

(b) Reinsurance Expense

Reinsurance expense represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

(iv) Commission income

Commission income is recognized on ceding business to the reinsurer, and are credited to the profit and loss account.

(v) Claims

Claims and loss adjustment expenses are recognized in profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to the contract holders or beneficiaries. They include direct and indirect claims settlement cost and arise from events that have occurred up to the reporting period, whether they have been reported or not. The Group does not discount its liabilities for unpaid claims.

The provision for outstanding claims, is estimated based on historic information on reported cases and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in profit or loss in the financial period in which adjustments are made, and disclosed separately if material.
The measurement of outstanding claims have been detailed out under note 4(O) (Insurance contract liabilities).

Reinsurance recoverables are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in profit or loss.

(vi) Salvages

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

(vii) 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 Group has the right to receive future cash flow from the third party.

(viii) Underwriting expenses

Underwriting expenses comprise acquisition and maintenance expenses comprising commission and policy expenses, other direct costs. Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

(vii) Receivables and payables related to insurance contracts

Insurance receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises the impairment loss in profit or loss. The Group determines the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amotised cost. The impairment loss is calculated using the same method used for these financial assets. See 4(e)(i)

(P) Insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 4aa. Insurance contract liabilities are determined as follows:

Reserves for unearned premium and unexpired risk

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

Reserves for outstanding claims

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

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Liability adequacy test

The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.

Reserving Methodology and Assumptions

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

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

Discounted Inflation-adjusted Basic Chain Ladder method

Historical claims paid were grouped into 8-year cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the pattern for 8 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

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

The resulting claims estimated is discounted to the valuation date using a discount rate of 14.5% to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding.

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

- The future claims follows a trend pattern from the historical data
- Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
- The run off period is eight (8) years and hence the method assumes no more claims will be paid subsequently.
- That weighted past average inflation will remain unchanged into the future.

Expected Loss Ratio method

This method is simple and gives an approximate estimate. This method was adopted as a check on the ultimate projections and also where the volume of data available is too small to be credible when using a statistical approach. Under this method, the Ultimate claims was obtained by studying the historical loss ratios, investigating any differences and using judgements to derive a loss ratio. Paid claims already emerged was then deducted for from the estimated Ultimate claims to obtain the reserves.

Discounting

No allowance has been made for discounting as these reserves are for short term contracts, the effect of discounting is not expected to have a significant impact on the reserves.

(Q) Trade payables and other payables

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

Other payables are recognized at carrying amounts as and when due.

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(R) Provisions and other payables

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

Provisions are determined by discounting the expected future cash flows at the rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(S) Taxation
Current and deferred tax

Income tax comprises current (company income tax, tertiary education tax, National Information Technology Development Agency levy, Nigeria Police Trust Fund levya) and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity respectively.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and separate financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realisable or the deferred income tax liability is payable.

Deferred tax assets are recognised to the extent that it is possible that future profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different entities where there is an intention to settle the balances on a net basis or their tax assets and liabilities will be realized simultaneously.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are recognized directly in other comprehensive income, is also recognized in other comprehensive income and subsequently recognised in profit or loss together with the deferred gain or loss.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use.

Minimum tax

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

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

(T) Share capital & reserves
(i) Share capital

The Group classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets.

Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares

Dividends on the Company’s ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company’s shareholders.

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

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(U) Contingency reserves

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches an amount equal to the greater of minimum paid-up capital or 50 percent of net premium.

(V) Retained earnings

The net profits or losses from operations in current and prior periods are accumulated in retained earnings less distributions to equity holders.

(W) Asset revaluation reserve

Asset revaluation reserve represents revaluation surplus on revalued property in use by the Company. When an individual property is revalued, any increase in its carrying amount is transferred to an asset revaluation reserve.

(X) Fair value reserve

Fair value reserve represents valuation surplus on Financial assets. It incorporates the cummulative net change in the fair value of though other comprehensive income financial assets until assets are derecognised or impaired.

(Y) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Group.
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.

(Z) 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 Group or the Group has a present obligation as a result of past event 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 legal claims or court process in respect of which a liability is not likely to crystallise.

(AA) Other income

(i) Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealised fair value changes, interest, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Interest income and expenses for all interest-bearing financial instruments are recognised within 'investment income' and 'finance costs' in the income statement using the effective interest rate method respectively. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

(ii) Dividend income

Dividend is recognized as earned when the Company's right to receive payment has been established and is stated net of withholding tax. The right to receive dividend is established when the dividend has been duly declared.

(AB) Management expenses

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

Employee benefits
- *Short-term benefits*

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. Short-term benefits are not discounted.

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

- *Post-employment benefits*

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay (through deduction from payroll) 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit or loss account.

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6 Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Critical accounting estimates and judgements have been applied as follows:

(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Company's most critical accounting estimate. There are sources of uncertainty that need to be considered in the estimation of the liability that the Company will ultimately pay for such claims.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).
The main assumption underlying this technique is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The carrying value at the reporting date of general insurance contract liabilities is ₦3.50billion (2021:₦3.20billion). See note 24 for more details.

(b) Fair value of financial instruments

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 4(d)vii of the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.
- Level 1: Quoted market price in an active market for an identical instrument.

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

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

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 in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

Models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

Notes to the Consolidated and Separate Financial Statements
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(c) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument is measured at fair value, however, where the fair value cannot be reliably estimated, it is carried at cost less impairment loss.
The fair value of the Company's investment in unquoted equity financial instrument is determined using valuation techniques. The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities.

(d) Liabilities arising from insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are dertermined using statistical analyses and the Group deems the reserves as adequate.

Sensitivity analysis

Sensitivity analyses are performed to test the variability around the reserves that are calculated at the best estimate level. The sensitivity analysis is done to determine how the IBNR reserve amount would change if a 75th percentile is considered as opposed to the best estimate figures included in reserve reviews as at 31 December 2022. The 75th percentile is a generally accepted level of prudency.

(f) Fair value of investment property and Property and Equipment

The fair value of investment property and PPE was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the properties been valued. The independent valuer provides the fair value of the Group's investment property and PPE portfolio on an annual basis.

The fair value measurement for all of the investment properties has been categorised as level 3 fair value based on the inputs on the inputs to the valuation technique used. See note Note 20 & 22 for investment property and PPE respectively.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

7 Risk Management Framework

The primary objective of Unitrust's enterprise risk management framework is to protect the Company's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management function with clear terms of reference from the Board of Directors and the Executive Management Committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the Board of Directors to Executive Management Committees and Senior Managers. The Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness of internal controls.

The Board of Directors approves the Company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

Internal Audit and Risk Management Systems

As an insurance company, the management of risk is at the core of the operating structure of Unitrust Insurance Company Limited. As a result, the Company employs the best risk management practices to identify, measure, monitor, control and report every material risk prevalent in its business operation.

The Company's ERM framework is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) as approved by the insurance industry regulator, National Insurance Commission (NAICOM), to identify, assess, manage and monitor the risks inherent in our operations.

The risk structure includes the Company's approach to management of risks inherent in the business and its appetite for these risk exposures. Under this approach, the Company's top risks are continuously assessed and the risk profile monitored against approved limits. The main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

The Internal Audit function is an independent appraisal activity, established by management to conduct reviews and investigations into manual and computer operations and management systems and report findings and recommendations to management for guidance and decision-making.

The mission of Internal Audit is to provide independent appraisal of all activities of the Company with the aim of adding value, improve operational efficiency, business effectiveness, risk management and ensure that effective controls are in place. The Internal Control Unit provides management with assurance that the controls which govern the Company's activities, computer systems and operations are properly conceived and are being effectively administered.

The major objective of the Internal Audit Unit is to examine and evaluate whether the Company's framework for risk management, control, and corporate governance processes are adequate and functional while also advising the Executive Management and the Audit Committee on areas of improvement in internal control and risk management systems.

The Board has adopted a holistic and integrated approach to internal control, governance, risk management and compliance framework. This allows for a mutual and well coordinated approach to managing underwriting, operational, investments, credit, liquidity, and legal/regulatory risks.

In carrying out its duties, the Internal Control Unit has full and unrestricted access to all of the Company's activities, records, and computer systems necessary for the execution of the agreed audit plans. It regularly reviews internal control measures and builds necessary checks and balances through the development of procedures or policies in line with the dictates of events within and outside the Company.

The Internal Control function of the Company is currently conducted on a risk-based approach which focuses on risk as its objectives. This is aimed at providing, on a continuous basis, an independent assurance to the Board that:

- the risk management processes which management has put in place within the Company are sound and operating as intended.
- the responses which management has made to risks which they wish to address are both adequate and effective in reducing those risks to a level acceptable to the Board.
- there is a process in place of reducing potential loss due to risks to an acceptable level while maximising returns from opportunities.
- there is a process in place to help management direct resources to the best opportunities that can create maximum returns with minimum risk while promoting continuous improvement.

Notes to the Consolidated and Separate Financial Statements
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Enterprise-wide Risk Management Principles

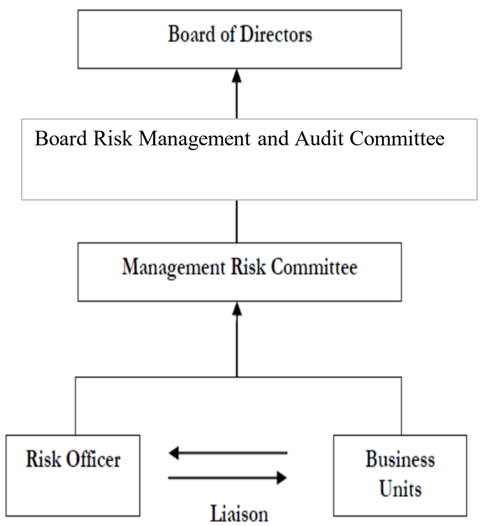
To ensure effective integration over time into organization processes so that risk management not only protects value but creates value, the Company is guided by the following principles:

- the Company will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.
- the Company will at all times comply with all government regulations and uphold international best practice.
- the Company will build and entrench an enduring risk culture, which shall pervade the entire organization.
- the Company will only accept risks that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times.
- the Company will make decisions based on careful analysis of the implications of such risk to its strategic goals and operating environment.

Enterprise-wide Risk Management Framework

This framework is developed to promote a strong risk management culture and integrate risk considerations into management and decision-making processes through a robust risk governance structure. It ensures that top risks are properly identified, analyzed and assessed, in a consistent manner across the organization.

ERM Governance Structure



The Board sets the organization's risk appetite, approves the strategy for managing risk and is ultimately responsible for the organization's system of internal control. This function is carried out via its Board Risk Management Committee as follows:

- Assist in the oversight of the review and approval of the companies risk management policy including risk appetite and risk strategy;
- Review the adequacy and effectiveness of risk management and controls;
- Oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms;
- Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile;
- Review changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- Review large underwritten risks for adequacy of reinsurance and other risk management techniques including environmental & social management system; and
- Oversight of enterprise risk management

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

The Management Risk Committee (MRC) of the Company recommends to the Board Risk Management Committee of the Board an amount at risk that it is prudent for the risk committee to approve in line with the company's business strategies. The Board Risk Management Committee approve the Company's risk appetite each year, based on a well-defined and broad set of risk measures.

MRC is also responsible for establishing, documenting, and enforcing all policies that involve risk. It has the oversight role of ensuring that the business units adhere to the Board's risk directive. The Committee review risk reports from the Risk Management department bi-monthly.

The Chief Risk Officer (CRO) plays a pivotal role in informing the Board, as well as MRC about the risk profile of the Company and also communicates the views of the Board and Senior Management down the Company. The CRO is also responsible for the following:

- Risk identification - locate and properly describe the risks that the business faces.
- Risk analysis - determine the likelihood of identified risks crystallising and the impact on the Company's finances or operation should they crystallise.
- Risk evaluation - determine risk significance (high, medium, low) of analysed risks by ranking them with Board approved risk likelihood and impact benchmark standards.
- Design control measures that will terminate evaluated risk or tame it to a tolerance level in a cost beneficial manner.
- Conduct risk assessment (by way of workshops or other methods) in order to identify, analyse, evaluate risks and design risk control measures.
- Maintenance of the risk registers and compliance register for all applicable laws and regulations.
- Analyse and investigate control failures, incidents and near misses and report to the Management Risk Committee whether remedial/mitigating controls need to be implemented.
- Design, document, and review, from time-to-time, Board approved policy and the standard operating procedures for every unit of the business.
- Document and implement a business continuity plan.

The Enterprise-wide risk management function which reports to the CRO, is in charge of identifying, evaluating, monitoring and recommending risk management solutions for the broad risk categories.

The internal audit functions evaluate the design and conceptual soundness of risk measures, accuracy of risk models, soundness of elements of the risk management information systems, adequacy and effectiveness of the procedures for monitoring risk, the progress of plans to upgrade risk management systems, the adequacy and effectiveness of application controls within the risk management information system, and the reliability of the vetting processes.

Risk Ownership

The primary responsibility for the management of all risks is that of the executive management of the Company. Accordingly, management and staff shall take ownership of all risks, at appropriate levels, and shall have the responsibility to implement the risk control measures that are approved by the Board.

Risk Appetite

The Company recognizes that its long-term sustainability is dependent upon the protection of its reputation, preservation of value and relationship with customers. To this end, the Company will not accept risks that materially impair reputation and value and requires that customers are always treated with integrity. The Company's risk appetite is defined by a clear risk strategy and limit structure. Close risk monitoring and reporting allows for detection of potential deviations from the risk tolerance limit at an early stage at both the Group and operating entity levels.

The risk appetite states how much of the Company's shareholder's funds, embedded value and, forecast earnings the Company is prepared to risk in the process of adding value and attaining its objectives.

It is stated both in quantitative and qualitative terms in order to fully protect its numbers, reputation, values and culture. It aims to ensure that the Company has adequate capital in the event of extreme claim events. It also aims to have good management that can steer the affairs of the enterprise – underwriting, expense levels and good investment returns.

The Company adopts the following three (3) risk appetite matrices in establishing its minimum risk capital need:

- Capital at Risk (CaR) - No more than 15% of shareholders funds will be at risk in extremely stressful circumstances represented by a 99% confidence level over a one year time horizon.
- Embedded Value at Risk (EVaR) - No more than 15% the company's EV will be at risk over a 12 month time horizon with a 99% CI.
- Earnings at Risk (EaR) - Earnings at risk will be no more than 20% the forecast over the next 12 months period with a 90% confidence limit.

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Risk Appetite Statement

	CaR	EVaR	EaR
Confidence Interval	99%	99%	90%
Statement	Maximum of 15% shareholder's funds will be at risk in an extreme situation (1 : 100yrs)	Maximum of 15% EV will be at risk in extreme situations (1 : 100yrs)	Maximum of 20% of forecast earnings in moderate (1 – 10years) situation
Implication	Company risk profile has to adhere to risk statement.	Economic Capital limited to 15% of issued Capital. This also means that even at the extreme, the company's actual capital will at least equal 240% of the Economic Capital.	The company needs to realistically forecast earnings especially technical reserves. Operations need to be closely monitored to ensure that projected cash commitments are met inclusive of dividend policy.

These high level statements will be cascaded down through the business units to reflect tolerance limits.

Risk Tolerance Limits (RTL)

The Risk Tolerance Limit is a limit set by the Board. It represents a threshold above which the Board believes the strategic objectives of the company can be jeopardized. It is qualitatively and quantitatively determined. The Company has a low Risk Tolerance Limit and the qualitative limits are defined as risks that have high financial impacts if they occur together with a medium likelihood of occurrence. Special attention is paid to the control of risks that fall into this category and the quarterly risk report highlights these high level risks.

Risks Assessment

The consequences of risks actually occurring and current control measures in place to mitigate them are discussed at the risk assessment workshop and documented in the risk register.
The likelihood and impact of each identified potential risk is ranked according to the benchmarks tabulated below – these are reviewable and will typically be outcomes of employee workshops – this participation helps develop risk awareness throughout the Company.

Likelihood

Likelihood	**Probability Criteria**	**Timescale Criteria**	**Allocated Score**
Unlikely	<25%	4 years or more	1
Likely	25% - 50%	2 - 4 years	2
May Occur	50% - 80%	I year or less	3
Almost Certain	80%+	Weeks or Months	4

Impact/Severity

Impact/ Severity	**Financial Impact (₦)**	**Non- Financial Impact**	**Allocated Score**
Very Low	Up to 2.5m	Regulator unconcerned	1
Low	2.5m - 7.5m	Advise regulator as courtesy.	2
Medium	7.5m - 15m	Notify regulator. Possible sanction.	3
High	15m - 30m	Likely sanction, censure or fine by regulator.	4
Very High	Over 30m	Suspension or removal of trading authorization by regulator possible.	5

Notes to the Consolidated and Separate Financial Statements
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Independent Review Process

In order to avoid the cost and risk of regulatory findings, independent review of the ERM framework shall be done by an external consultant/firm every three years or more frequently as and when required. The consultant/firm that the Company shall engage will conduct a systemic, detail oriented test of the framework. The independent review shall make recommendations that will bridge any existing gaps in compliance and technology.

Risk Control Process

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

Risk Categorization

The Company is exposed to an array of risks through its operations. The Company has identified, assessed and categorized its exposure to these risks under four broad headings:

(i) Strategic risks – This specifically focuses on the economic environment, the products offered and the market.
The strategic risks arises from the Company's inability to make appropriate decisions or implement appropriate business plans, strategies, decision making, resource allocation and to adapt to changes in its business environment.

(ii) Insurance risks – These are risks associated with providing insurance products and services.

(iii) Financial risks – These are risks associated with the financial operation of the company, including capital management, investments, liquidity and credit.

(iv) Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

(A) Strategic risks

Capital management policies, objectives and approach

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

- To maintain the required level of financial stability thereby providing a degree of security to policyholders
- 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
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Company's operations are also subject to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement as specified by National Insurance Commission (NAICOM) for non-life insurance business is ₦3 billion. Insurers are also mandated to maintain 10% of this paid up capital with the Central Bank as Statutory Deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis.

The regulations prescribed by NAICOM prescribe approval and monitoring of activities, and impose certain restrictive provisions (e.g. solvency margin) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Company has met all of these requirements throughout the financial year.

In reporting the Company's solvency status, solvency margin is computed using the rules prescribed by the National Insurance Commission (NAICOM). The margin of solvency, according to NAICOM is defined as total admissible assets less total liabilities. This shall not be less than either 15% of net premium or the minimum paid up share capital, whichever is higher.
The solvency margin test compares insurers' capital against the risk profile and NAICOM expect non-life insurers to comply with this capital adequacy requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations as deemed necessary if the Company falls below this requirement.
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 regulations, including any additional amounts required by the regulators.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

The solvency margin for the Company is as follows:

	2022		2021	
	₦'000	₦'000	₦'000	₦'000
Admissible Assets				
Cash and cash equivalents	2,127,293		1,911,019	
Financial assets:				
- Fair Value through other comprehensive income	335,871		345,179	
- Amortized Cost	6,416,034		6,610,077	
Trade receivable	43,397		20,196	
Reinsurance assets	1,818,706		1,983,448	
Deferred acquisition costs	231,502		185,255	
Investments in finance lease	71,043		38,097	
Investment in associate	82,300		76,922	
Investment in subsidiary	1,000		1,000	
Investment property	493,000		493,000	
Land and building	507,000		507,000	
Intangible assets	70,455		24,642	
Other property, plant and equipment	338,768		272,820	
Statutory Deposits	315,000		315,000	
Total admissible assets		12,851,370		12,783,655
Less: Admissible liabilities				
Insurance contract liabilities	3,499,821		3,200,972	
Trade payables	501,733		556,233	
Accruals and other payables	207,050		241,977	
Taxation	42,170		19,917	
Total admissible liabilities		(4,250,774)		(4,019,099)
Excess of Assets (Admissible assets) over Liabilities - Solvency Margin (A)		**8,600,596**		**8,764,556**
Higher of:				
i) Gross premium written	5,357,608		5,105,109	
Reinsurance paid during the year	(2,578,258)		(2,258,085)	
Net premium	2,779,350		2,847,024	
15% of Net premium	416,903		427,054	
or				
ii) Minimum paid-up capital	3,000,000		3,000,000	
The higher thereof (B):		3,000,000		3,000,000
Surplus of Solvency Margin over statutory minimum		5,600,596		5,764,556
Solvency ratio (A/B)		**287%**		**292%**

The company's solvency margin of N8,600,596,000 (2021: N8,764,556,000) is above the minimum capital of N3,000,000,000 (2021: N3,000,000,000) prescribed by Section 24 of the Insurance Act 2003.

Approach to capital management

Unitrust Insurance Company Limited seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the 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 level on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The Company's primary source of capital used is equity shareholders' funds. The Company also utilises, where efficient to do so, sources of capital such as reinsurance in addition to more traditional sources of funding.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

Notes to the Consolidated and Separate Financial Statements

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

There has been no significant changes in its policies and processes to its capital structure.

Finance Act 2022 – Part IX – Iɪ

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022, amended the Finance Act, 2022. The Finance Act 2022 (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;

(b) In the case of a new company -
(i) Government Bonds and Treasury Bills,
(ii) Cash and Bank balances, and
(iii) Cash and cash equivalent.

As an existing company, Unitrust Insurance Co.Ltd capital requirement is as shown below:

	2022	2021
Share capital	5,002,015	5,002,015
Share premium	872,369	872,369
Retained earnings	920,329	1,066,283
Contigency reserve	2,904,408	2,743,680
Excess of admissible over liabilities	9,699,121	9,684,347
Less the amount of own share held (treasury shares	-	-
	9,699,121	**9,684,347**
Subordinated liabilities approved by NAICOM	-	-
Any other fiancial instrument approved by NAICOM	-	-
	9,699,121	**9,684,347**

(B) Insurance risks

The risk under insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

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

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

The Company cedes out its risk to reinsurers as part of its risk mitigation programme. Business ceded for reinsurance is placed on a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out, on original terms basis, 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 large losses. Retention limits for the excess–of–loss reinsurance vary by product line.

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 credit obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

Non-life insurance contracts

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

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

Notes to the Consolidated and Separate Financial Statements
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(a) Frequency and severity of claims

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

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

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

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

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

Year ended 31 December 2022 (in thousands of naira)

Product	**Gross sum insured**	**Reinsurance sum insured**	**Net sum insured**
Fire	2,105,773,477,035	1,621,515,032,273	484,258,444,762
General Accident	558,072,433,114	193,932,585,814	364,139,847,300
Marine	160,506,812,673	61,816,343,210	98,690,469,462
Enginnering	402,077,671,289	234,374,885,487	167,702,785,802
Bond	10,478,855,651	959,756,278	9,519,099,373
Special risk	859,410,665,730	725,703,900,270	133,706,765,460
Motor	73,932,385,890	178,181,000	73,754,204,890
Total	**4,170,252,301,382**	**2,838,480,684,332**	**1,331,771,617,050**

Year ended 31 December 2021 (in thousands of naira)

Product	**Gross sum insured**	**Reinsurance sum insured**	**Net sum insured**
Fire	1,557,557,187,026	968,764,382,534	588,792,804,492
General Accident	141,499,479,698	76,433,385,293	65,066,094,405
Marine	71,038,717,186	21,979,802,052	49,058,915,134
Enginnering	535,664,812,362	368,948,873,190	166,715,939,172
Bond	3,946,245,326	1,928,259,510	2,017,985,816
Special risk	2,995,537,086,253	2,896,694,091,236	98,842,995,017
Total	**5,305,243,527,851**	**4,334,748,793,815**	**970,494,734,036**

Motor and miscellaneous classes of business operate under the 'excess of loss' treaty agreement. The details of the retention are as shown below:

Excess of loss treaty agreement:	**2022**	**2021**
Unitrust priority	25,000,000	25,000,000
1st Layer	Excess of 25,000,000	Excess of 25,000,000
2nd Layer	Excess of 50,000,000	Excess of 50,000,000
3rd Layer	Excess of 250,000,000	Excess of 250,000,000
4th Layer (Third party liability only)		

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

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

Notes to the Consolidated and Separate Financial Statements

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

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

(c) *Process used to decide on assumptions*

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

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

Discounted Inflation-adjusted Basic Chain Ladder method

Historical claims paid were grouped into 8 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 8 years was studied. The historical paid claims are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

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

The resulting claims estimated is discounted to the valuation date using a discount rate of 10% to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding.

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

- The future claims follows a trend pattern from the historical data
- Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
- The run off period is eight (8) years and hence the method assumes no more claims will be paid after this.
- That weighted past average inflation will remain unchanged into the future

Expected Loss Ratio method

This model assumes that the average delay in the payment of claims will continue into the future. Additionally, an estimate of the average ultimate loss ratio was assumed. The estimated average loss ratio was based on claims experience at the reporting date for accident years 2007 to 2021. For 3 of the classes of business namely Miscellaneous, Bond and Oil & gas, there was limited data. A Discounted Inflation-adjusted Basic Chain Ladder method was therefore inappropriate. The reserve was calculated as the expected average ultimate loss ratio for the assumed average delay period multiplied by earned premium for the assumed delay period minus current experience to the reporting date relating to the accident months that the delay affects.

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

Reinsurance agreements

For IFRS compliance purposes, all reserves are reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

Claims development tables

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The summary of claims development history of the Company at the reporting date was as follows:

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Claims development tables

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The summary of claims development history of the Company at the reporting date was as follows:

Fire

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	62,797	46,473	1,319	74	94	-	-	-	-	-	-	-
2008	37,939	51,951	733	33	-	-	-	-	-	-	-	-
2009	42,966	24,488	29,072	4,361	-	1,000	-	-	-	-	-	-
2010	41,434	21,255	13	84	-	-	-	-	-	-	-	-
2011	82,103	70,772	6,260	1,638	-	-	-	-	-	-	-	-
2012	89,255	37,272	3,761	1,258	-	-	-	-	-	-	-	-
2013	89,667	37,760	0	0	-	-	-	-	-	-	-	-
2014	18,238	28,513	248	1,367	-	152	-	-	-	-	-	-
2015	17,617	4,310	347	0	-	-	-	-	-	-	-	-
2016	25,137	39,145	6,860	13,752	5,840	5,736	1,145	-	-	-	-	-
2017	74,503	47,641	2,326	1,756	250	95	-	-	-	-	-	-
2018	61,123	31,083	2,411	2,212	64	-	-	-	-	-	-	-
2019	101,790	108,381	13,331	44	-	-	-	-	-	-	-	-
2020	75,048	153,558	60,089	-	-	-	-	-	-	-	-	-
2021	70,480	74,091	-	-	-	-	-	-	-	-	-	-
2022	147,557	-	-	-	-	-	-	-	-	-	-	-

General Accident

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	54,487	24,193	17,590	12,998	5,552	1,364	1,168	-	-	-	-	-
2008	-	59,531	31,547	5,563	3,539	5,841	3,437	506	-	-	-	-
2009	64,697	75,005	27,579	6,008	6,166	644	3,451	891	-	475	-	-
2010	81,454	53,585	16,494	18,627	5,786	25	34	785	-	-	-	-
2011	62,863	68,876	35,829	9,948	3,036	2,223	-	-	-	-	-	-
2012	71,130	66,933	12,524	3,126	1,667	989	-	-	-	-	-	-
2013	59,554	48,874	12,989	698	2,575	-	-	-	-	-	-	-
2014	59,816	19,208	1,581	1,953	0	-	-	-	-	-	-	-
2015	46,823	19,303	9,557	684	324	-	-	-	-	-	-	-
2016	61,617	40,296	2,665	3,477	151	714	-	-	-	-	-	-
2017	25,251	18,722	2,719	2,489	277	-	-	-	-	-	-	-
2018	32,305	31,558	4,130	7,250	63	-	-	-	-	-	-	-
2019	33,681	53,335	16,217	2,204	-	-	-	-	-	-	-	-
2020	36,843	77,402	4,355	-	-	-	-	-	-	-	-	-
2021	71,350	73,652	-	-	-	-	-	-	-	-	-	-
2022	59,767	-	-	-	-	-	-	-	-	-	-	-

Engineering

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	2,736	9,348	-	-	-	-	-	-	-	-	-	-
2008	21,472	10,034	4,226	1,469	1,484	-	-	-	-	-	-	-
2009	5,013	36,948	1,447	7,744	-	-	-	-	-	-	-	-
2010	28,189	26,169	20,155	3,221	3,881	-	-	-	-	-	-	-
2011	8,722	37,313	7,356	-	-	-	-	-	-	-	-	-
2012	54,308	37,454	3,241	83	11,000	-	-	-	-	-	-	-
2013	30,600	4,227	3,132	-	-	-	-	-	-	-	-	-
2014	8,276	10,081	7,647	-	2,545	-	-	-	-	-	-	-
2015	8,266	24,099	-	1,782	-	-	-	-	-	-	-	-
2016	23,360	14,439	864	0	-	-	-	-	-	-	-	-
2017	20,908	3,721	-	180	-	-	-	-	-	-	-	-
2018	20,909	19,058	-	2,159	-	-	-	-	-	-	-	-
2019	25,360	7,468	18	2,351	-	-	-	-	-	-	-	-
2020	17,668	34,638	-	-	-	-	-	-	-	-	-	-
2021	11,077	17,074	-	-	-	-	-	-	-	-	-	-
2022	70,991	-	-	-	-	-	-	-	-	-	-	-

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Motor

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	74,735	43,409	1,196	-	611	-	25	-	-	-	-	-
2008	121,257	66,461	15,358	2,375	418	1,414	160	40	395	60	-	-
2009	197,815	126,274	9,945	10,695	4,500	1,230	25	-	-	-	-	-
2010	200,426	85,311	22,761	8,255	6,166	169	1,718	-	-	-	-	-
2011	151,587	107,236	10,377	4,316	2,876	-	-	-	-	-	-	-
2012	178,662	56,082	9,296	2,429	292	-	-	-	-	-	-	-
2013	185,039	44,702	1,679	-	5,000	-	-	-	-	-	-	-
2014	232,180	48,802	200	120	-	-	-	-	-	-	-	-
2015	185,796	42,619	7,479	20	440	300	210	-	-	-	-	-
2016	134,226	61,897	1,391	-	14	-	-	-	-	-	-	-
2017	157,774	45,342	9,332	1,200	-	-	-	-	-	-	-	-
2018	195,314	52,180	227	-	1,000	-	-	-	-	-	-	-
2019	181,556	58,187	1,353	116	-	-	-	-	-	-	-	-
2020	153,781	31,393	17,060	-	-	-	-	-	-	-	-	-
2021	282,392	87,964	-	-	-	-	-	-	-	-	-	-
2022	269,401	-	-	-	-	-	-	-	-	-	-	-

Marine

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	10,571	25,047	5,113	-	69	-	-	-	-	-	-	-
2008	12,972	16,890	4,437	1,255	-	-	-	-	-	-	-	-
2009	46,872	34,727	259	1,929	1	-	-	-	-	-	-	-
2010	28,528	14,866	1,219	118	6	-	-	-	-	-	-	-
2011	37,667	40,985	157	1,615	-	-	2,161	-	-	-	-	-
2012	48,346	12,789	6,613	-	-	-	-	-	-	-	-	-
2013	23,330	5,311	108	-	-	-	-	-	-	-	-	-
2014	12,106	6,956	-	-	-	-	-	-	-	-	-	-
2015	10,138	2,756	428	-	-	-	-	-	-	-	-	-
2016	18,537	2,049	-	-	-	-	-	-	-	-	-	-
2017	19,537	6,697	-	-	-	-	-	-	-	-	-	-
2018	14,450	10,818	569	3,000	-	-	-	-	-	-	-	-
2019	8,200	9,016	1,008	10,134	-	-	-	-	-	-	-	-
2020	12,301	7,492	-	-	-	-	-	-	-	-	-	-
2021	24,400	13,078	-	-	-	-	-	-	-	-	-	-
2022	34,523	-	-	-	-	-	-	-	-	-	-	-

Oil & Gas

Accident Year	**Gross Earned Premium (N' 000)**	**Claims Paid till date (N' 000)**	**Total O/s as at 31 Dec 2022 (N'000)**	**Current Incurred (N'000)**	**Current Loss Ratio**	**Ultimate Loss Ratio**	**Ultimate Losses (N'000)**	**O/s Claim Reserves (N'000)**
2011	122,963	210,089	-	210,089	171%	171%	210,089	-
2012	188,802	146,995	-	146,995	78%	78%	146,995	-
2013	277,057	21,344	-	21,344	8%	8%	21,344	-
2014	290,498	101,127	-	101,127	35%	35%	101,127	-
2015	240,398	7,563	31,364	38,926	16%	16%	38,926	31,364
2016	358,178	220,616	200,672	421,288	118%	118%	421,288	200,672
2017	420,428	119,584	18,549	138,133	33%	33%	138,133	18,549
2018	743,737	181,792	21,058	202,850	27%	27%	202,850	21,058
2019	978,368	119,990	93,738	213,728	22%	22%	213,728	93,738
2020	1,491,242	374,826	117,372	492,198	33%	36%	529,479	154,653
2021	1,676,427	5,968	10,817	16,785	1%	6%	100,607	94,638
2022	1,667,028	153	2,106	2,259	0%	10%	166,703	166,550
Total			**504,278**				2,490,297	**789,824**

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Bond

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/s as at 31 Dec 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/s Claim Reserves (N'000)
2011	19,549	12,449	-	12,449	64%	64%	12,449	-
2012	26,529	50,000	-	50,000	188%	188%	50,000	-
2013	21,885	-	-	-	0%	0%	-	-
2014	26,109	-	-	-	0%	0%	-	-
2015	15,947	-	-	-	0%	0%	-	-
2016	10,477	-	-	-	0%	0%	-	-
2017	16,634	-	-	-	0%	0%	-	-
2018	31,462	-	-	-	0%	0%	-	-
2019	30,516	-	-	-	0%	0%	-	-
2020	35,495	-	-	-	0%	0%	-	-
2021	20,240	36,835	-	36,835	182%	184%	37,341	506
2022	20,811	-	-	-	0%	5%	1,041	1,041
Total			**-**	**127,833**			**129,379**	**1,547**

Agriculture

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/s as at 31 Dec 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/s Claim Reserves (N'000)
2011	-	-	-	-	0%	0%	-	-
2012	-	-	-	-	0%	0%	-	-
2013	-	-	-	-	0%	0%	-	-
2014	-	-	-	-	0%	0%	-	-
2015	-	-	-	-	0%	0%	-	-
2016	-	-	-	-	0%	0%	-	-
2017	-	-	-	-	0%	0%	-	-
2018	-	-	-	-	0%	0%	-	-
2019	-	-	-	-	0%	0%	-	-
2020	-	-	-	-	0%	0%	-	-
2021	-	-	-	-	0%	0%	-	-
2022	759	-	-	-	0%	0%	-	-
Total			-	-	-		-	-

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(C) Financial risk

(a) Introduction and overview

The Company has a robust and functional Enterprise-wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Group.

The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non–financial variable constitutes financial risk. The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risks

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

Exposure to this risk results from financial transactions with a counter party including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor.

The Company is exposed to credit risk in terms of premium payment and investments in counterparties, considerable risks exist that brokers and large corporates who are allowed extended payment period may default and this is closely allied to cash flow risks. The three sources of credit risk identified are:

- *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 firm 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 due to a downgrade in its credit ratings will adversely affect the present value of the contract with the obligor today.
- *Settlement Risk:* risk arising at the settlement of a transaction which relates to the lag between the value and settlement dates of securities transactions.

Unitrust Insurance is exposed to risk relating to its debt holdings in its investment portfolio, outstanding premiums from customers and the reliance on reinsurers to make payment when certain loss conditions are met.

Investment portfolio

The Company's investment policy puts limits on the fixed income and money market instruments including portfolio composition limits, issuer type limits, aggregate issuer limits and corporate sector limits. The Group's investment portfolio is exposed to credit risk through its Fixed Income and Money Market instruments. Fixed Income & Money Market instruments contributes about 97% (2021: 96%) of the Company's investments.

The Company's exposure to credit risk is low as the Government sector (Government Treasury bills and Bond) accounted for the largest part 60% (2021: 65%) of the investments as at 31 December 2022.

The Company further manages its exposure to credit risk through counterparty risk using established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

Outstanding premium

The Company categorizes its exposure to this risk based on business types (direct and brokered business).
As a result of the growing challenges arising from huge levels of outstanding premium reported in the financial statements of insurance Companies, a revised guideline dated 1 January 2013 was issued by NAICOM on Insurance premium collection and remittance in which it was specified that there shall be no outstanding premium in the books of any insurer related to direct business as covers granted on credit are not recognised by the law. Outstanding premium from Brokers can be recorded in the books and if uncollected 30 days after initial recognition, is to be fully impaired.

The Company focuses on effective management of its exposure to credit risk especially premium related debts. 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.

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

- The Company's enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored, exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty or group of counterparties and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).
- The Company further restricts its credit risk exposure by entering into master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis. The Company's reinsurance treaty contracts involve netting arrangements.
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the management and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings and worthiness.
- The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

Reinsurance

The Company's credit risk originates from reinsurance recoverable transactions, retail clients, corporate clients, brokers and agents. Reinsurance is placed with only reinsurers with good credit rating. Management monitors the creditworthiness of all reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

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

Financial Instruments	Note	**Group 31-Dec-22 N'000**	**Group 31-Dec-21 N'000**	**Company 31-Dec-22 N'000**	**Company 31-Dec-21 N'000**
Cash and cash equivalents	10	2,129,869	1,911,340	2,129,549	1,911,019
Financial assets:					
- Fair Value through other comprehensive income	11	335,871	345,179	335,871	345,179
- Amortized Cost	12	6,996,432	7,131,057	6,996,432	7,131,057
Trade receivable	13	43,397	20,196	43,397	20,196
Reinsurance assets	14	1,818,706	1,983,448	1,818,706	1,983,448
Investments in finance lease	17	71,043	38,097	71,043	38,097
TOTAL CREDIT RISK EXPOSURE		**11,395,318**	**11,429,317**	**11,394,998**	**11,428,996**

Age analysis of trade receivables

For trade recivables to be classified as 'past–due and impaired' contractual payments from brokers must be in arrears for more than 30 days.

Group and Company

31-Dec-22

	0-30 days	**31 to 180 days**	**181 days and above**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables	43,397	-	-	43,397

31-Dec-21

	0-30 days	**31 to 180 days**	**181 days and above**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables	20,196	-	-	20,196

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The following table breaks down the Group's main credit exposure at their gross amounts for the reported periods.

	2022 N'000	2021 N'000
Not past due	43,397	20,196
Past due but not impaired	-	-
Impaired	-	-
Gross	43,397	20,196
Impairment allowance		
Specific impairment	-	-
	43,397	20,196

Impairment Model

Premium debtors are receivables which are recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Premium debt from brokers business are impaired once they are outstanding for more than 30 days while premium from direct business is not recognized in the books if payment is yet to be received.

The impairment of the premium debtors is assessed individually. The premium debt of the Company is assessed for individual or specific impairment once it is outstanding for over 30 days.

Impaired financial assets

There is no impaired trade receivables within the year (2021:Nil). The Company's impairment allowance on financial assets at amortized cost for the year was N14.76m (2021: N22.36m). No collateral is held as security for any past due or impaired assets..The Company records impairment allowances for financial assets at amortized cost in a separate impairment allowance account.

Credit quality and credit rating of financial assets

The Company's financial assets assessed for impairment are debt securities at amortised cost, cash and cash equivalents and trade receivable.

The following table presents an analysis of the credit quality of the Group's financial assets

31-Dec-22

Group

In thousands of naira	Cash and cash equivalents	- Fair Value through other comprehensive income	Financial assets at amortized cost	Trade receivable	Reinsurance assets	Investments in finance lease	Total
AAA to BBB-	-	-	-	-	-	-	-
BB+ to B-	2,129,869	284,102	6,996,432	-	-	-	9,410,403
Unrated	-	51,769	-	43,397	1,818,706	71,043	1,984,915
Gross amount	2,129,869	335,871	6,996,432	43,397	1,818,706	71,043	11,395,318
Allowances for impairment:							
12-month ECL	(2,256)	-	(14,764)	-	-	-	(17,020)
Lifetime ECL not credit impaired	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-
Total allowance for impairment	(2,256)	-	(14,764)	-	-	-	(17,020)
Carrying amount	2,127,613	335,871	6,981,668	43,397	1,818,706	71,043	11,378,299

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Company

In thousands of naira	Cash and cash equivalents	- Fair Value through other comprehensive income	Financial assets at amortized cost	Trade receivable	Reinsurance assets	Investments in finance lease	Total
AAA to BBB-	-	-	-	-	-	-	-
BB+ to B-	2,129,549	284,102	6,996,432	-	-	-	9,410,083
Unrated	-	51,769	-	43,397	1,818,706	71,043	1,984,915
Gross amount	2,129,549	335,871	6,996,432	43,397	1,818,706	71,043	11,394,998
Allowances for impairment:							
12-month ECL	(2,256)	-	(14,764)	-	-	-	(17,020)
Lifetime ECL not credit impaired	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-
Total allowance for impairment	(2,256)	-	(14,764)	-	-	-	(17,020)
Carrying amount	2,127,293	335,871	6,981,668	43,397	1,818,706	71,043	11,377,979

31-Dec-21

Group

In thousands of naira	Cash and cash equivalents	- Fair Value through other comprehensive income	Financial assets at amortized cost	Trade receivable	Reinsurance assets	Investments in finance lease	Total
AAA to BBB-	-	-	-	-	-	-	-
BB+ to B-	1,913,020	301,924	7,153,419	-	-	-	9,368,363
Unrated	-	43,255	-	20,196	1,983,448	38,097	2,084,996
Gross amount	1,913,020	345,179	7,153,419	20,196	1,983,448	38,097	11,453,359
Allowances for impairment:							
12-month ECL	(1,680)	-	(22,362)	-	-	-	(24,042)
Lifetime ECL not credit impaired	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-
Total allowance for impairment	(1,680)	-	(22,362)	-	-	-	(24,042)
Carrying amount	1,911,340	345,179	7,131,057	20,196	1,983,448	38,097	11,429,317

Company

In thousands of naira	Cash and cash equivalents	- Fair Value through other comprehensive income	Financial assets at amortized cost	Trade receivable	Reinsurance assets	Investments in finance lease	Total
AAA to BBB-	-	-	-	-	-	-	-
BB+ to B-	1,912,699	301,924	7,153,419	-	-	-	9,368,042
Unrated	-	43,255	-	20,196	1,983,448	38,097	63,451
Gross amount	1,912,699	345,179	7,153,419	20,196	1,983,448	38,097	9,431,493
Allowances for impairment:							
12-month ECL	(1,680)	-	(22,362)	-	-	-	(24,042)
Lifetime ECL not credit impaired	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-
Total allowance for impairment	(1,680)	-	(22,362)	-	-	-	(24,042)
Carrying amount	1,911,019	345,179	7,131,057	20,196	1,983,448	38,097	11,428,996

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Other receivables

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

Liquidity risks

Liquidity risk is the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once claims crystallize. In respect of catastrophe events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.
The Company mitigates this risk by monitoring cash activities and expected outflows. The Company has no material commitments for capital expenditures. Claims payments are funded by current operating cash flow including investment income. The Company has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

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

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

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

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

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

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

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

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

Maturity analysis (contractual undiscounted cash flow basis for non–derivatives)

Group (31 December 2022)

	Note	**Carrying amount**	**Gross nominal Inflow/(outflow)**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**
Financial Assets:							
Cash and cash equivalents	10	2,127,612	2,139,492	2,139,492	-	-	-
Fair Value through other comprehensive income	11	335,871	335,871	-	-	-	335,871
Amortized Cost	12	6,981,668	7,009,133	1,026,426	1,041,885	446,612	4,494,210
Trade receivable	13	43,397	43,397	43,397	-	-	-
Reinsurance assets	14	1,818,706	1,818,706	-	-	372,130	1,446,577
Other receivables	16	80,802	73,625	-	-	73,625	-
Investments in finance lease	17	71,043	71,043	-	-	-	71,043
Total assets		**11,459,099**	**11,491,267**	**3,209,315**	**1,041,885**	**892,367**	**6,347,700**
Financial Liabilities:							
Insurance contract liabilities	24	3,499,821	3,499,821	1,458,938	150,444	278,762	1,611,677
Trade payables	25	501,733	501,733	501,733	-	-	-
Other payables	26	162,822	162,822	-	-	157,004	5,818
Total liabilities		**4,164,376**	**4,164,376**	**1,960,671**	**150,444**	**435,766**	**1,617,495**
Gap (assets - liabilities)		7,326,891	7,326,891	1,248,644	891,440	456,602	4,730,205
Cumulative liquidity gap		**7,326,891**	**7,326,891**	**1,248,644**	**2,140,084**	**2,596,686**	**7,326,890**

Group (31 December 2021)

	Note	**Carrying amount**	**Gross nominal Inflow/(outflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**
Financial Assets:							
Cash and cash equivalents	10	1,911,340	1,917,341	1,917,341	-	-	-
Fair Value through other comprehensive income	11	345,179	345,179	-	-	-	345,179
Amortized Cost	12	7,131,057	7,815,395	410,644	1,149,486	1,576,384	4,678,881
Trade receivable	13	20,196	20,196	20,196	-	-	-
Reinsurance assets	14	1,983,448	1,983,448	-	-	543,172	1,440,276
Other receivables	16	67,178	67,178	-	-	67,178	-
Investments in finance lease	17	38,097	38,097	-	-	-	38,097
Total assets		**11,496,495**	**12,186,834**	**2,348,181**	**1,149,486**	**2,186,734**	**6,502,433**
Financial Liabilities:							
Insurance contract liabilities	24	3,200,972	3,200,972	1,336,364	70,628	129,438	1,664,542
Trade payables	25	556,233	556,233	556,233	-	-	-
Other payables	26	186,543	186,543	-	-	181,036	5,507
Total liabilities		**3,943,748**	**3,943,748**	**1,892,597**	**70,628**	**310,474**	**1,670,049**
Gap (assets - liabilities)		7,552,747	8,243,086	455,584	1,078,858	1,876,260	4,832,384
Cumulative liquidity gap		**7,552,747**	**8,243,086**	**455,584**	**1,534,442**	**3,410,702**	**8,243,086**

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

Company (31 December 2022)

	Note	**Carrying amount**	**Gross nominal Inflow/(outflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**
Financial Assets:							
Cash and cash equivalents	10	2,127,293	2,139,492	2,139,492	-	-	-
Fair Value through other comprehensive income	11	335,871	335,871	-	-	-	335,871
Amortized Cost	12	6,981,668	7,009,133	1,026,426	1,041,885	446,612	4,494,210
Trade receivable	13	43,397	43,397	43,397	-	-	-
Reinsurance assets	14	1,818,706	1,818,706	-	-	372,130	1,446,577
Other receivables	16	73,625	73,625	-	-	73,625	-
Investments in finance lease	17	71,043	71,043	-	-	-	71,043
Total assets		**11,451,603**	**11,491,267**	**3,209,315**	**1,041,885**	**892,367**	**6,347,701**
Financial Liabilities:							
Insurance contract liabilities	24	3,499,821	3,499,821	1,458,938	150,444	278,762	1,611,677
Trade payables	25	501,733	501,733	501,733	-	-	-
Other payables	26	162,822	162,822	-	-	157,004	5,818
Total liabilities		**4,164,376**	**4,164,376**	**1,960,671**	**150,444**	**435,765**	**1,617,495**
Gap (assets - liabilities)		**7,287,228**	**7,326,892**	**1,248,644**	**891,440**	**456,602**	**4,730,205**
Cumulative liquidity gap		**7,287,228**	**7,326,892**	**1,248,644**	**2,140,084**	**2,596,686**	**7,326,892**

Company (31 December 2021)

	Note	**Carrying amount**	**Gross nominal Inflow/(outflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**
Financial Assets:							
Cash and cash equivalents	10	1,911,019	1,917,020	1,917,020	-	-	-
Fair Value through other comprehensive income	11	345,179	345,179	-	-	-	345,179
Amortized Cost	12	7,131,057	7,815,395	410,644	1,149,486	1,576,384	4,678,881
Trade receivable	13	20,196	20,196	20,196	-	-	-
Reinsurance assets	14	1,983,448	1,983,448	-	-	543,172	1,440,276
Other receivables	16	67,178	67,178	-	-	67,178	-
Investments in finance lease	17	38,097	25,158	-	-	25,158	-
Total assets		**11,496,174**	**12,173,574**	**2,347,860**	**1,149,486**	**2,211,892**	**6,464,336**
Financial Liabilities:							
Insurance contract liabilities	24	3,200,972	3,200,972	1,336,364	70,628	129,438	1,664,542
Trade payables	25	556,233	556,233	556,233	-	-	-
Other payables	26	241,977	241,977	-	-	236,470	5,507
Total liabilities		**3,999,182**	**3,999,182**	**1,892,597**	**70,628**	**365,908**	**1,670,049**
Gap (assets - liabilities)		**7,496,992**	**8,174,392**	**455,263**	**1,078,858**	**1,845,984**	**4,794,287**
Cumulative liquidity gap		7,496,992	8,174,392	455,263	1,534,121	3,380,105	8,174,392

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

7 Unitrust's Risk Management Framework (cont'd)

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item that combines amounts expected to be recovered or settled no more than twelve months after the reporting period (current) and more than twelve months after the reporting period (non-current).

Group

	31 December 2022			31 December 2021		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
In thousands of naira						
Asset						
Cash and cash equivalents	2,127,612	-	2,127,612	1,911,019	-	1,911,019
Fair Value through other comprehensive income	-	335,871	335,871	-	345,179	345,179
Amortized cost	2,301,113	4,680,555	6,981,668	2,548,947	4,582,110	7,131,057
Trade receivables	43,397	-	43,397	20,196	-	20,196
Reinsurance assets	372,130	1,446,577	1,818,707	543,172	1,440,276	1,983,448
Deferred acquisition cost	231,502	-	231,502	185,255	-	185,255
Other receivables and prepayment	80,802	-	80,802	67,178	-	67,178
Investments in finance lease	-	71,043	71,043	-	38,097	38,097
Investment in Associates	-	82,300	82,300	-	76,922	76,922
Investment property	-	493,000	493,000	-	493,000	493,000
Intangible assets	-	70,455	70,455	-	24,642	24,642
Property, plant and equipment	-	7,568,767	7,568,767	-	7,049,819	7,049,819
Statutory deposits	-	315,000	315,000	-	315,000	315,000
Total assets	**5,156,556**	**15,063,568**	**20,220,124**	**5,275,767**	**14,365,045**	**19,640,812**
Liabilities						
Insurance contract liabilities	1,888,144	1,611,677	3,499,821	1,536,430	1,664,542	3,200,972
Trade payables	501,733	-	501,733	556,233	-	556,233
Accruals and other payables	157,004	5,818	162,822	181,036	5,507	186,543
Current income tax liabilities	45,620	-	45,620	23,367	-	23,367
Deferred tax liability	-	268,179	268,179	-	446,242	446,242
						-
Total liabilities	**2,592,500**	**1,885,674**	**4,478,174**	**2,297,066**	**2,116,291**	**4,413,357**
Gap	**2,564,056**	**13,177,893**	**15,741,949**	**2,978,701**	**12,248,754**	**15,227,455**

Company

	31 December 2022			31 December 2021		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
In thousands of naira						
Asset						
Cash and cash equivalents	2,127,293	-	2,127,293	1,911,019	-	1,911,019
Amortized Cost	2,301,113	4,680,555	6,981,668	2,548,947	4,582,110	7,131,057
Fair Value through other comprehensive income	-	335,871	335,871	-	345,179	345,179
Trade receivables	43,397	-	43,397	20,196	-	20,196
Reinsurance assets	372,130	1,446,577	1,818,706	543,172	1,440,276	1,983,448
Deferred acquisition cost	231,502	-	231,502	185,255	-	185,255
Other receivables and prepayment	73,625	-	73,625	67,178	-	67,178
Investments in finance lease	-	71,043	71,043	-	38,097	38,097
Investment in Associates	-	82,300	82,300	-	76,922	76,922
Investment in subsidiary	-	1,000	1,000	-	1,000	1,000
Investment property	-	493,000	493,000	-	493,000	493,000
Intangible assets	-	70,455	70,455	-	24,642	24,642
Property, plant and equipment	-	7,568,767	7,568,767	-	7,049,819	7,049,819
Statutory deposits	-	315,000	315,000	-	315,000	315,000
Total assets	**5,149,060**	**15,064,567**	**20,213,627**	**5,275,767**	**14,366,045**	**19,641,812**
Liabilities						
Insurance contract liabilities	1,888,144	1,611,677	3,499,821	1,536,430	1,664,542	3,200,972
Trade payables	501,733	-	501,733	556,233	-	556,233
Accruals and other payables	201,232	5,818	207,050	236,470	5,507	241,977
Current income tax liabilities	42,170	-	42,170	19,917	-	19,917
Deferred tax liability	-	268,179	268,179	-	446,242	446,242
Total liabilities	**2,633,278**	**1,885,674**	**4,518,952**	**2,349,050**	**2,116,291**	**4,465,341**
Gap	2,515,782	13,178,893	15,694,675	2,926,717	12,249,754	15,176,471

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Market risks

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

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

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

Foreign currency risk

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

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

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

The Group's foreign exchange risk is considered at a group level since an effective overview of such risk is a critical element of the group's asset/liability risk management. The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels. Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum.

The table below summarises the Group's financial instruments categorised by currency:

Group (31 December 2022)

	Note	**Total**	**Naira**	**US Dollar**	**UK Pound Sterling**	**Euro**
Cash and cash equivalents	10	2,127,293	1,176,893	873,772	73,720	2,907
Fair Value through other comprehensive income	11	335,871	284,177	51,694	-	-
Amortized cost	12	6,981,667	5,882,040	1,099,627	-	-
Trade receivables	13	43,397	43,162	235	-	-
Reinsurance assets	14	1,818,706	1,515,914	302,474	319	-
Other receivables	16	73,625	71,072	2,553	-	-
Investments in finance lease	17	71,043	71,043	-	-	-
Total assets		**11,451,602**	**9,044,302**	**2,330,355**	**74,039**	**2,907**
					-	
Insurance contract liabilities	24	3,499,821	2,857,742	640,733	1,346	-
Trade payables	25	501,733	501,733	-	-	-
Other payables	26	162,822	162,822	-	-	-
Total Liabilities		**4,164,376**	**3,522,296**	**640,733**	**1,346**	**-**

Group (31 December 2021)

	Note	Total	Naira	US Dollar	UK Pound Sterling	Euro
Cash and cash equivalents	10	1,911,019	1,494,523	412,887	1,124	2,485
Fair Value through other comprehensive	11	345,178	301,998	43,180	-	-
Amortized cost	12	7,131,055	6,118,526	1,012,529	-	-
Trade receivables	13	20,196	20,196	-	-	-
Reinsurance assets	14	1,983,448	1,643,172	339,937	339	-
Other receivables	16	67,178	64,625	2,553	-	-
Investments in finance lease	17	38,097	38,097	-	-	-
Total assets		**11,496,171**	**9,681,137**	**1,811,086**	**1,463**	**2,485**
				0		
Insurance contract liabilities	24	3,200,972	2,621,086	579,277	609	-
Trade payables	25	556,233	556,233	-	-	-
Other payables	26	186,543	186,543	-	-	-
Total Liabilities		**3,943,748**	**3,363,862**	**579,277**	**609**	**-**

Company (31 December 2022)

	Note	Total	Naira	US Dollar	UK Pound Sterling	Euro
Cash and cash equivalents	10	2,127,293	1,176,893	873,772	73,720	2,907
Fair Value through other comprehensive	11	335,871	284,177	51,694	-	-
Amortized cost	12	6,981,667	5,882,040	1,099,627	-	-
Trade receivables	13	43,397	43,162	235	-	-
Reinsurance assets	14	1,818,706	1,515,914	302,474	319	-
Other receivables	16	73,625	71,072	2,553	-	-
Investments in finance lease	17	71,043	71,043	-	-	-
Total assets		**11,451,603**	**9,044,302**	**2,330,355**	**74,039**	**2,907**
Insurance contract liabilities	24	3,499,821	2,857,742	640,733	1,346	-
Trade payables	25	501,733	501,733	-	-	-
Other payables	26	207,050	207,050	-	-	-
Total Liabilities		**4,208,604**	**3,566,524**	**640,733**	**1,346**	**-**

Company (31 December 2021)

	Note	Total	Naira	US Dollar	UK Pound Sterling	Euro
Cash and cash equivalents	10	1,911,019	1,494,523	412,887	1,124	2,485
Fair Value through other comprehensive	11	345,178	301,998	43,180	-	-
Amortized cost	12	7,131,055	6,118,526	1,012,529	-	-
Trade receivables	13	20,196	20,196	-	-	-
Reinsurance assets	14	1,983,448	1,643,172	339,937	339	-
Other receivables	16	67,178	64,625	2,553	-	-
Investments in finance lease	17	38,097	38,097	-	-	-
Total assets		**11,496,171**	**9,681,137**	**1,811,086**	**1,463**	**2,485**
Insurance contract liabilities	24	3,200,972	2,621,086	579,277	609	-
Trade payables	25	556,233	556,233	-	-	-
Other payables	26	241,977	241,977	-	-	-
Total Liabilities		**3,999,182**	**3,419,296**	**579,277**	**609**	**-**

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, yield curves and credit spreads.

Exposure to interest risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Company monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed. Interest rate risk is also managed through monitoring of interest rate gaps and sensitivity analysis across all investment portfolios.

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable, then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The Company is also exposed to the risk of changes in future cash flows from fixed income securities arising from the changes in interest rates. The Company, however, has no significant concentration of interest rate risk.

A summary of the Group's interest rate gap position on non-trading portfolios is as follows:

Interest rate gap position

Group (31 December 2022)

	1 - 3 months	3 - 6 months	6 -12 months	1 - 5 years	Carrying amount
Cash and cash equivalents	2,127,612	-	-	-	2,127,612
- Amortized Cost	2,632,037	3,221,063	549,556	579,012	6,981,668
Investments in finance lease	-	-	-	71,043	71,043
	4,759,649	**3,221,063**	**549,556**	**650,055**	**9,180,323**
Insurance contract liabilities	1,458,938	150,444	278,762	1,611,677	3,499,821
	1,458,938	**150,444**	**278,762**	**1,611,677**	**3,499,821**
Total interest rate gap	**3,300,709**	**3,070,620**	**270,794**	**(961,621)**	**5,680,502**

Interest rate gap position

Group (31 December 2021)

	1 - 3 months	3 - 6 months	6 -12 months	1 - 5 years	Carrying
Cash and cash equivalents	1,911,340	-	-	-	1,911,340
- Amortized Cost	410,644	1,149,486	1,576,384	4,678,881	7,815,395
Investments in finance lease	-	-	-	38,097	38,097
	2,321,984	**1,149,486**	**1,576,384**	**4,716,978**	**9,764,832**
Insurance contract liabilities	1,336,364	70,628	129,438	1,664,542	3,200,972
	1,336,364	**70,628**	**129,438**	**1,664,542**	**3,200,972**
Total interest rate gap	**985,619**	**1,078,859**	**1,446,946**	**3,052,436**	**6,563,860**

Interest rate gap position

Company (31 December 2022)

	1 - 3 months	3 - 6 months	6 -12 months	1 - 5 years	Carrying
Cash and cash equivalents	2,127,293	-	-	-	2,127,293
- Amortized Cost	2,632,037	3,221,063	549,556	579,012	6,981,668
Investments in finance lease	-	-	-	71,043	71,043
	4,759,330	**3,221,063**	**549,556**	**650,055**	**9,180,004**
Insurance contract liabilities	1,458,938	150,444	278,762	1,611,677	3,499,821
	1,458,938	**150,444**	**278,762**	**1,611,677**	**3,499,821**
Total interest rate gap	**3,300,391**	**3,070,619**	**270,794**	**(961,621)**	**5,680,183**

Interest rate gap position

Company (31 December 2021)

	1 - 3 months	3 - 6 months	6 -12 months	1 - 5 years	Carrying
Cash and cash equivalents	1,911,019	-	-	-	1,911,019
- Amortized Cost	410,644	1,149,486	1,576,384	4,678,881	7,815,395
Investments in finance lease	-	-	-	38,097	38,097
	2,321,663	**1,149,486**	**1,576,384**	**4,716,978**	**9,764,511**
Insurance contract liabilities	1,336,364	70,628	129,438	1,664,542	3,200,972
	1,336,364	**70,628**	**129,438**	**1,664,542**	**3,200,972**
Total interest rate gap	**985,299**	**1,078,858**	**1,446,946**	**3,052,436**	**6,563,539**

Price risk

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

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

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, and limits on investments in each sector and market.

The Company has no significant concentration of price risk.

Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and
The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions

- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address the risks
- requirements for the reporting of operational losses and proposed remedial action
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.
- Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and senior management of the Company.

7 Risk Management Framework (cont'd)

Asset - liability management (ALM)

The Group 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 the long- term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts.

The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders and for each distinct class of liabilities, a separate portfolio of assets is maintained.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

In response to the risk, the Group's assets and liabilities are allocated as follows:

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HYPOTHECATION TABLE

Group

	31-Dec-22			31-Dec-21		
	Shareholders' funds	**Policy holders' funds**	**Total**	**Shareholders' funds**	**Policy holders' funds**	**Total**
	Non life	Non life		Non life	Non life	
In thousands of naira						
Assets						
Cash and cash equivalents	205,188	1,922,424	2,127,612	-	1,911,340	1,911,340
Fair Value through other comprehensive income	335,871	-	335,871	345,179	-	345,179
Amortized Cost	3,213,391	3,768,277	6,981,668	2,949,118	4,181,939	7,131,057
Trade receivables	43,397	-	43,397	20,196	-	20,196
Reinsurance assets	-	1,818,706	1,818,706	-	1,983,448	1,983,448
Deferred acquisition cost	231,502	-	231,502	185,255	-	185,255
Other receivables and prepayments	80,802	-	80,802	67,178	-	67,178
Investments in finance lease	71,043	-	71,043	38,097	-	38,097
Investment in subsidiary	1,000	-	1,000			
Investemnt in Associate	82,300		82,300	76,922		76,922
Investment property	493,000	-	493,000	493,000	-	493,000
Intangible assets	70,455	-	70,455	24,642	-	24,642
Property and equipment	7,568,767	-	7,568,767	7,049,819	-	7,049,819
Statutory deposits	315,000	-	315,000	315,000	-	315,000
TOTAL ASSETS	**12,711,717**	**7,509,408**	**20,221,123**	**11,564,406**	**8,076,727**	**19,641,133**
LIABILITIES						
Insurance contract liabilities	-	3,499,821	3,499,821	-	3,200,972	3,200,972
Trade payables	501,733	-	501,733	556,233	-	556,233
Provisions and other payables	162,822	-	162,822	186,543	-	186,543
Current income tax liabilities	45,620	-	45,620	23,367	-	23,367
Deferred tax liabilities	268,179	-	268,179	446,242	-	446,242
TOTAL LIABILITIES	**978,354**	**3,499,821**	**4,478,175**	**1,212,385**	**3,200,972**	**4,413,357**
GAP	**11,733,363**	**4,009,587**	**15,742,948**	**10,352,021**	**4,875,755**	**15,227,776**

Company

	31-Dec-22			31-Dec-21		
	Shareholders' funds	**Policy holders' funds**	**Total**	**Shareholders' funds**	**Policy holders' funds**	**Total**
	Non life	Non life		Non life	Non life	
In thousands of naira						
ASSETS						
Cash and cash equivalents	205,188	1,922,105	2,127,293	-	1,911,019	1,911,019
Fair Value through other comprehensive income	335,871	-	335,871	345,179	-	345,179
Amortized Cost	3,213,391	3,768,277	6,981,668	2,949,118	4,181,939	7,131,057
Trade receivables	43,397	-	43,397	20,196	-	20,196
Reinsurance assets	-	1,818,706	1,818,706	-	1,983,448	1,983,448
Deferred acquisition cost	231,502	-	231,502	185,255	-	185,255
Other receivables and prepayments	73,625	-	73,625	67,178	-	67,178
Investments in finance lease	71,043	-	71,043	38,097	-	38,097
Investment in Associate	82,300		82,300	76,922		76,922
Investment in subsidiary	1,000	-	1,000	1,000	-	1,000
Investment property	493,000	-	493,000	493,000	-	493,000
Intangible assets	70,455	-	70,455	24,642	-	24,642
Property and equipment	7,568,767	-	7,568,767	7,049,819	-	7,049,819
Statutory deposits	315,000	-	315,000	315,000	-	315,000
	12,704,540	**7,509,088**	**20,213,627**	**11,565,406**	**8,076,406**	**19,641,812**
LIABILITIES						
Insurance contract liabilities	-	3,499,821	3,499,821	-	3,200,972	3,200,972
Trade payables	501,733	-	501,733	556,233	-	556,233
Accruals and other payables	207,050	-	207,050	241,977	-	241,977
Current income tax liabilities	42,170	-	42,170	19,917	-	19,917
Deferred tax liabilities	268,179	-	268,179	446,242	-	446,242
TOTAL LIABILITIES	**1,019,131**	**3,499,821**	**4,518,953**	**1,264,369**	**3,200,972**	**4,465,341**
GAP	**11,685,408**	**4,009,267**	**15,694,674**	**10,301,037**	**4,875,434**	**15,176,471**

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8 Financial assets and liabilities

Determination of fair value

The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of certain valuation techniques.
For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.The method and assumptions applied are enumerated below:

Cash and cash equivalent

The estimated fair value of fixed interest placement with banks is based on the prevailing money market interest rates and remaining maturity.

Quoted securities

The fair value for treasury bills and quoted equities is based on market prices or brokers/dealers price quotations. Where this information is not available, fair valuation is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Insurance liabilities

See note 4p on insurance risk for method and assumptions used to determine the fair value of non-life insurance contracts.

Trade receivables and payables, reinsurance

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or to receive on demand.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

Level 1: Quoted market price in an active market for an identical instrument.

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

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

Accounting classification measurement basis and fair value

The table below analyses financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets measured at fair value		**31 December 2022**			
		Level 1	**Level 2**	**Level 3**	**Total balance**
Group	**Note**				
In thousands of naira					
Assets					
- Fair Value through other comprehensive income	11	284,102	-	51,694	335,796
Total financial assets measured at fair value		**284,102**	**-**	**51,694**	**335,796**

Financial assets measured at fair value

		31 December 2022			
		Level 1	**Level 2**	**Level 3**	**Total balance**
Company	**Note**				
In thousands of naira					
Assets					
- Fair Value through other comprehensive income	11	284,102	-	51,694	335,796
Total financial assets measured at fair value		**284,102**	**-**	**51,694**	**335,796**

		31 December 2021			
		Level 1	**Level 2**	**Level 3**	**Total balance**
Group	**Note**				
In thousands of naira					
Assets					
- Fair Value through other comprehensive income	11	301,924	-	43,180	345,104
Total financial assets measured at fair value		**301,924**	**-**	**43,180**	**345,104**

		31 December 2021			
		Level 1	**Level 2**	**Level 3**	**Total balance**
Company	**Note**				
In thousands of naira					
Assets					
- Fair Value through other comprehensive income	11	301,924	-	43,180	345,104
Total financial assets measured at fair value		**301,924**	**-**	**43,180**	**345,104**

The table below analyses financial instruments not measured at fair value at the end of the year. The carrying amount of these financial instruments are approximations of their fair values.

		Group	**Group**	**Company**	**Company**
		31-Dec-22	**31-Dec-22**	**31-Dec-22**	**31-Dec-22**
		Carrying value	**Fair value**	**Carrying value**	**Fair value**
	Note				
In thousands of naira					
Assets					
Cash and cash equivalents	10	2,129,869	2,129,869	2,127,293	2,127,293
Amortized Cost	12	6,981,668	6,878,871	6,981,668	6,878,871
Investment in Energy & Allied Insurance Pool of Nigeria	11(b)	51,694	51,694	51,694	51,694
Trade receivables	13	43,397	43,397	43,397	43,397
Reinsurance asset (excluding prepaid reinsurance)	14	596,353	596,353	596,353	596,353
Other receivables (excluding prepayments)	16	24,134	24,134	24,134	24,134
Total value of financial assets not measured at fair value		**9,827,115**	**9,724,318**	**9,824,539**	**9,721,742**
Trade payables	40	501,733	501,733	501,733	501,733
Other payables	41	162,822	162,822	207,050	207,050
Total value of financial liabilities not measured at fair value		**664,555**	**664,555**	**708,783**	**708,783**

	Note	Group 31-Dec-21 Carrying value	Group 31-Dec-21 Fair value	Company 31-Dec-21 Carrying value	Company 31-Dec-21 Fair value
In thousands of naira					
Assets					
Cash and cash equivalents	10	1,965,308	1,965,308	1,963,439	1,963,439
Amortized Cost	12	7,378,442	7,394,735	7,378,442	7,394,735
Investment in Energy & Allied Insurance Pool of Nigeria	25b	32,427	32,427	32,427	32,427
Trade receivables	13	39,189	39,189	39,189	39,189
Reinsurance asset (excluding prepaid reinsurance)	14	1,192,975	1,192,975	1,192,975	1,192,975
Other receivables (excluding prepayments)	16	8,374	8,374	8,374	8,374
Total value of financial assets not measured at fair value		**10,616,715**	**10,633,008**	**10,614,846**	**10,631,139**
Trade payables	40	678,493	678,493	678,493	678,493
Other payables	41	143,502	143,502	197,515	197,515
Total value of financial liabilities not measured at fair value		**821,995**	**821,995**	**876,008**	**876,008**

9 Segment reporting

Segment information is presented in respect of the Group's business segments which represents the primary segment reporting format and is based on the Group's management and reporting structure.

Based on the evaluation of the Company's operations, management has determined that it has only one reportable segment since the Company does not manage its operations by allocating resources based on a determination of the contribution to net income from product, service or operation. The Company's subsidiary does not qualify as a reportable segment as it does not meet the quantitative threshold required for segment reporting.

The company's subsidiary is no longer in operation and voluntary liquidation has been filed with Corporate affairs commission which have been approved.

The products and services from which the Company derives its revenue are mainly the provision of risk underwriting and related financial services to its customers. Such services include provision of general insurance services to both corporate and individual customers and the products are distributed through various forms of brokers, agencies and direct marketing programmes. Revenue from this segment is derived primarily from insurance premiums, fee income, investment income and net realised gains on financial assets.

Management identifies its reportable operating segment based on the Group's management and reporting structure.

The segment information provided by the executive management committee for the reportable segments for the year end is as follows:

	General insurance business	
	31-Dec-2022	**31-Dec-2021**
	₦'000	**₦'000**
Revenue from external customers:		
Gross insurance premium revenue (see note 35)	5,357,608	5,105,109
Insurance premium ceded to reinsurers (see note 37)	(2,578,258)	(2,258,085)
Net insurance premium revenue	2,779,350	2,847,024
Fee and commission income (see note 38)	378,641	355,073
Investment and other income	830,672	796,336
	3,988,664	3,998,433
Reportable segment profit before tax	**92,509**	**326,231**
Assets and liabilities:		
Total assets	20,220,123	19,641,133
Total liabilities	4,478,175	4,413,357
Net assets	**15,741,948**	**15,227,776**

The revenue from external parties reported by the executive management steering committee is measured in a manner consistent with that in the income statement.

The amounts provided to segment information with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Geographical segment

Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. Accordingly, no further geographical segments information is reported.

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10 Cash and cash equivalents

Cash and cash equivalents comprise:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Cash in hand	433	431	413	431
Balances held with banks in Nigeria	520,460	713,899	520,161	713,899
Placements with financial institutions	1,608,975	1,198,690	1,608,975	1,198,369
Expected credit loss allowance (see note a below)	(2,256)	(1,680)	(2,256)	(1,680)
	2,127,612	1,911,340	2,127,293	1,911,019

Placements with financial institutions are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group.

10 (a) Movement in Expected credit loss allowance

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
1 January	(1,680)	(1,548)	(1,680)	(1,548)
Charge during the year	(576)	(132)	(576)	(132)
31 December	(2,256)	(1,680)	(2,256)	(1,680)

10 (b) Cash & Cash Equivalents for cashflow

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Cash in hand	433	431	413	431
Balances held with banks in Nigeria	520,460	713,899	520,161	713,899
Placements with financial institutions	1,608,975	1,198,690	1,608,975	1,198,369
	2,129,869	**1,913,020**	**2,129,549**	**1,912,699**
Current	2,127,612	1,911,340	2,127,293	1,911,019
Non-current	-	-	-	-
	2,127,612	**1,911,340**	**2,127,293**	**1,911,019**

11 Financial assets at fair value through other comprehensive income

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Investment in equity securities (see note a below)	284,177	301,999	284,177	301,999
Investment in Energy & Allied Insurance Pool of Nigeria (see note b)	51,694	43,180	51,694	43,180
	335,871	345,179	335,871	345,179
Current	-	-	-	-
Non-current	335,871	345,179	335,871	345,179
	335,871	**345,179**	**335,871**	**345,179**

11(a) *Investment in equity securities*

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At fair value: Quoted equities				
Cost	376,368	376,368	376,368	376,368
Fair value adjustment (see movement below)	(92,266)	(74,444)	(92,266)	(74,444)
	284,102	301,924	284,102	301,924

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Movement in fair value adjustment				
Balance, beginning of year	(74,444)	(56,203)	(74,444)	(56,203)
Fair value loss (see note 33)	(17,822)	(18,241)	(17,822)	(18,241)
Balance, end of year	(92,266)	(74,444)	(92,266)	(74,444)
At cost: Unquoted equities				
Cost*	75	75	75	75
	75	75	75	75
	284,177	301,999	284,177	301,999

* Unquoted equity represents investment in Afriland Properties Plc which is yet to be listed on the NSE.

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11(b) Investment in Energy & Allied Insurance Pool of Nigeria

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	43,180	32,427	43,180	32,427
Fair value adjustment	8,514	10,753	8,514	10,753
Investment in Energy & Allied Insurance Pool of Nigeria	51,694	43,180	51,694	43,180

The Company invested in the Energy & Allied Insurance pool of Nigeria (EAIPN).This is an innovation by Nigerian Insurers Association (NIA), managed by African Reinsurance Corporation, where members can cede portion of Oil & gas businesses to the pool. A total unit of USD 250,000 per line was subscribed and the company has paid USD100,000 (40%) currently valued at USD115,376 equivalent of N51.7 million (2021:N43.18 million)

The fair valuation of the investment is based on Price to Book Value and Price to Earnings methods, with appropriate weightings applied in arriving at the value of the investment. The fair value adjustment is the increase in the fair value of the investment from prior year. To determine the appropriate P/E multiple, the arithmetic average and median of the multiples from the benchmark public companies were computed. Based on this, the average P/E multiple ranging from 4x to 5x were used. A discount of 11% was adopted based on our assessment of the industry, considering the country and liquidity risk of the industry, to arrive at a lower and higher indicative equity valuation range of USD4.83 million - USD4.96 million for EAIPN.The indicative fair value of Unitrust's 1.6% equity stake in EAIPN ranges from USD115,376 to USD120,284

The valuation was done by Maintreet Capital Ltd with FRC number FRC/2018/00000012721. The valuation report was signed by Ebi Enaholo with FRC number FRC/2021/003/00000022632

No strategic investments were disposed off in 2022, and there were no transfers of any cumulative gain or loss within equity relating to the investments.

11(c) Quoted equity securities listing

Quoted equity securities listing	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Access Bank Plc	16,287	17,819	16,287	17,819
FBN Holdings Plc	20,674	21,623	20,674	21,623
GT Holding Company Plc	106,506	120,398	106,506	120,398
FCMB Group Plc	8,288	6,437	8,288	6,437
Ecobank Trans Inc (ETI)	1,713	1,406	1,713	1,406
United Bank For Africa Plc	22,800	24,150	22,800	24,150
Africa Prudential Registrars Plc	894	946	894	946
Uba Capital Plc	8,345	5,901	8,345	5,901
Zenith Bank Plc	96,000	100,600	96,000	100,600
Flour Mills Of Nig.	2,499	2,495	2,499	2,495
Red Star Express Plc	96	149	96	149
	284,102	301,924	284,102	301,924

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12 Amortized Cost

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Quoted debt securities - Treasury Bills	1,004,774	1,484,908	1,004,774	1,484,908
Quoted debt securities - FGN Bond	4,520,874	4,430,556	4,520,874	4,430,556
Debt securities - Corporate bond	174,446	173,916	174,446	173,916
Total Quoted debt securities - Treasury Bills & Bond (FGN & Corporate) (see note (a))	**5,700,094**	**6,089,380**	**5,700,094**	**6,089,380**
Placements with financial institutions in Nigeria (> three months)	535,537	492,239	535,537	492,239
Placements with financial institutions outside Nigeria (> three months)	565,634	521,714	565,634	521,714
Commercial papers-corporate	193,770	46,989	193,770	46,989
Loans and receivables	1,396	3,097	1,396	3,097
Gross total	6,996,432	7,153,419	6,996,432	7,153,419
ECL allowance (see note c)	(14,764)	(22,362)	(14,764)	(22,362)
	6,981,668	**7,131,057**	**6,981,668**	**7,131,057**
Current	2,301,113	2,548,947	2,301,113	2,548,947
Non-current	4,680,555	4,582,110	4,680,555	4,582,110
	6,981,668	**7,131,057**	**6,981,668**	**7,131,057**

12 (a) Quoted debt securities - Treasury Bills & Bond (FGN & Corporate)

Movement in quoted debt securities	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At 1 January	6,089,380	6,390,128	6,089,380	6,390,128
Additions during the year	1,305,483	1,640,476	1,305,483	1,640,476
Interest accrued	378,193	352,718	378,193	352,718
Redemption during the year	(2,072,962)	(2,293,942)	(2,072,962)	(2,293,942)
At 31 December	5,700,094	6,089,380	5,700,094	6,089,380

12 (b) Placements with financial institutions & corporate commercial papers

At 1 January	1,060,942	1,017,002	1,060,942	1,017,002
Additions during the year	319,449	430,995	319,449	430,995
Interest accrued	42,474	33,134	42,474	33,134
Redemption during the year	(127,924)	(420,189)	(127,924)	(420,189)
Net loans and advances	1,294,941	1,060,942	1,294,941	1,060,942

12 (c) Movement in Expected credit loss (ECL) allowance

At 1 January	(22,362)	(30,516)	(22,362)	(30,516)
Decrease during the year	1,834	-	1,834	-
Write-back during the year	5,764	8,154	5,764	8,154
31 December	(14,764)	(22,362)	(14,764)	(22,362)

12 (c(i)) Amortized cost-ECL Allowance

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Quoted debt securities - Treasury Bills	(1,411)	(2,089)	(1,411)	(2,089)
Quoted debt securities - FGN Bond	(10,259)	(17,184)	(10,259)	(17,184)
Debt securities - Corporate bond	(1,278)	(1,600)	(1,278)	(1,600)
Placements with financial institutions in Nigeria (> three months)	(751)	(690)	(751)	(690)
Placements with financial institutions outside Nigeria (> three	(793)	(733)	(793)	(733)
Commercial papers-corporate	(272)	(66)	(272)	(66)
	(14,764)	(22,362)	(14,764)	(22,362)

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12 (d) Loans and receivables

		Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
(i)	**Staff loans**				
	At 1,January	3,097	1,828	3,097	1,828
	Additions during the year	114,997	94,028	114,997	94,028
	Payment received during the year	(116,698)	(92,758)	(116,698)	(92,758)
	Net loans and advances	1,396	3,097	1,396	3,097

13 Trade receivables

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Insurance receivables:				
Due from policy holders	43,397	20,196	43,397	20,196
	43,397	**20,196**	**43,397**	**20,196**
Current	43,397	20,196	43,397	20,196
	43,397	**20,196**	**43,397**	**20,196**

Age analysis of insurance receivables due from policy holders

Age of debt	**No of policies**	**Amount**
Within 14 Days	74	35,953
with 15 -30days	56	7,443
Total	**130**	**43,397**

14 Reinsurance assets

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Reinsurance share of outstanding claims (see note a)	596,353	661,563	596,353	661,563
Reinsurance share of IBNR (see note b)	280,926	253,884	280,926	253,884
Prepaid reinsurance (see note c)	569,298	524,829	569,298	524,829
Reisnsurance assets as per Actuarial valuation	1,446,577	1,440,276	1,446,577	1,440,276
Prepaid Minimum and Deposit Reinsurance premium (see note d)	37,885	44,731	37,885	44,731
Reinsurance share of claims paid (see note e)	334,244	498,441	334,244	498,441
	1,818,706	**1,983,448**	**1,818,706**	**1,983,448**
Current	372,129	543,172	372,129	543,172
Non-current	1,446,577	1,440,276	1,446,577	1,440,276
	1,818,706	**1,983,448**	**1,818,706**	**1,983,448**

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(a) The movement in reinsurance share of outstanding claims is as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance at 1 January	661,563	1,192,975	661,563	1,192,975
Changes during the year (see note 39(a))	(65,210)	(531,412)	(65,210)	(531,412)
Balance at 31 December	**596,353**	**661,563**	**596,353**	**661,563**

(b) The movement in incurred but not reported (IBNR) is as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance at 1 January	253,884	217,222	253,884	217,222
Changes during the year (see note 39a)	27,042	36,662	27,042	36,662
Balance at 31 December	**280,926**	**253,884**	**280,926**	**253,884**

(c) The movement in prepaid reinsurance is as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance at 1 January	524,829	239,626	524,829	239,626
Movement in prepaid reinsurance (see note 37)	44,469	285,203	44,469	285,203
Balance at 31 December	**569,298**	**524,829**	**569,298**	**524,829**

(d) The movement in Prepaid Minimum and Deposit Insurance premium is as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At 1 January	44,731	42,898	44,731	42,898
Additions during the year	37,885	44,731	37,885	44,731
Amortised during the year (See note 37 (a))	(44,731)	(42,898)	(44,731)	(42,898)
	37,885	**44,731**	**37,885**	**44,731**

(e) The movement in reinsurance share of Paid claims is as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At 1 January	498,441	240,373	498,441	240,373
Additions during the year (see note 39 (a))	755,802	881,608	755,802	881,608
Received from reinsurance during the year	(919,999)	(623,540)	(919,999)	(623,540)
At 31 December	**334,244**	**498,441**	**334,244**	**498,441**

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15 Deferred acquisition cost

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Deferred acquisition cost	231,502	185,255	231,502	185,255
Current	231,502	185,255	231,502	185,255
Non-current	-	-	-	-
	231,502	**185,255**	**231,502**	**185,255**

(a) Deferred acquisition cost by class of business

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Deferred acquisition cost - Fire	75,181	59,648	75,181	59,648
Deferred acquisition cost - General Accident	30,219	31,118	30,219	31,118
Deferred acquisition cost - Motor	29,506	20,383	29,506	20,383
Deferred acquisition cost - Marine	8,355	15,616	8,355	15,616
Deferred acquisition cost - Bond	560	169	560	169
Deferred acquisition cost - Engineering	28,210	21,066	28,210	21,066
Deferred acquisition cost - Agriculture	321	-	321	-
Deferred acquisition cost - Oil & Gas	59,148	37,255	59,148	37,255
	231,502	**185,255**	**231,502**	**185,255**

(b) Movement in deferred acquisition cost

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At 1 January	185,255	108,311	185,255	108,311
Increase in deferred acquisition cost (see note 40a)	46,247	76,944	46,247	76,944
At 31 December	**231,501**	**185,255**	**231,501**	**185,255**

16 Other receivables and prepayments

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Prepaid Company's Asset & Group Life Insurance premium	24,210	8,656	24,210	8,656
Prepaid rent & service agreement	24,409	12,452	24,409	12,452
Advance to vendors (see note a below)	-	23,670	-	23,670
Prepaid health insurance	3,029	-	3,029	-
Prepaid maintenance services	-	4,018	-	4,018
Prepaid IT Services	-	7,978	-	7,978
Prepaid NSITF	5,020		5,020	
Other debtors (see note b below)	24,134	10,404	16,957	10,404
	80,802	**67,178**	**73,625**	**67,178**

a) N23.7 million representing advance payment to vendor in 2021 was tranfered to Intangible assets during the year under review. This forms part of additions to intangible assets

b) This represents advance payment made by the Company to SIA Travel Insurance N3.2 million, service charge receivable from tenant N8.9 million , Receivable from Subsidairy, Unitrust Global Assets Management Limited amounting to N7.3 million and WHT recoverable N4.9 million.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Current	80,802	67,178	73,625	67,178
Non-current	-	-	-	-
	80,802	**67,178**	**73,625**	**67,178**

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17 Investment in finance lease

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Gross investment in finance lease receivables	47,757	34,818	47,757	34,818
Additions during the year	85,100	39,076	85,100	39,076
Payment received during the year.	(60,447)	(30,861)	(60,447)	(30,861)
Interest earned (see note 41)	8,293	4,724	8,293	4,724
	80,703	47,757	80,703	47,757
Accumulated allowance for uncollectible minimum lease payment receivables	(9,660)	(9,660)	(9,660)	(9,660)
Net investment in finance lease receivables	71,043	38,097	71,043	38,097
Net investment in finance lease receivables:				
Less than one year	71,043	38,097	71,043	38,097
Between one and five years	-	-	-	-
Net investment	71,043	38,097	71,043	38,097

The finance lease represents an equipment lease (motor vehicle) to corporate organisation. The lease transfers ownership of the asset to the lessee. By the end of the lease term, the lessee has the option to purchase the asset. Finance income is recognized over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment in line with IFRS 16.

18 Investment in Associate

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Investment in Trans-Nationwide Express	82,300	76,922	82,300	76,922
The movement in investment in associate is as follows:				
At 1 January	76,922	109,404	76,922	109,404
Impact of previously unrecognised reserves	-	(24,012)	-	(24,012)
Adjusted balance at 1 January	76,922	85,392	76,922	85,392
Share of profit/(loss) after taxation: @ 21.33%	5,378	(8,470)	5,378	(8,470)
Share of dividend: @ 21.33%	-	-	-	-
At 31 December	**82,300**	**76,922**	**82,300**	**76,922**

The Group has a 21.33% interest in Trans-Nationwide Express Plc, which is involved in logistic and courier business. Trans-Nationwide Express Plc is a public liability company listed on Nigeria Stock Exchange. The Group's interest in Trans-Nationwide Express Plc is accounted for using the equity method in the consolidated financial statements. The associate made a profit after tax of N25.2m during the financial year(2021:loss N39.7m).

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Trans-Nationwide Express				
Current assets	406,792	379,521	406,792	379,521
Non-current assets	290,234	270,066	290,234	270,066
Current liabilities	311,183	288,960	311,183	288,960
Revenue	698,625	678,508	698,625	678,508
Profit /(Loss) for the year	25,216	(39,711)	25,216	(39,711)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	25,216	(39,711)	25,216	(39,711)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Trans-Nationwide Express recognised in the consolidated financial statements

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Net assets of the associate	385,843	360,627	385,843	360,627
Proportion of the Group's ownership interest in Trans-Nationwide	21.33%	21.33%	21.33%	21.33%
Proportion of the Group's ownership interest in Trans-Nationwide Express (21.33%)	82,300	76,922	82,300	76,922

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Current	-	-	-	-
Non-current	82,300	76,922	82,300	76,922
	82,300	**76,922**	**82,300**	**76,922**

19 Investment in subsidiary

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Investment in Unitrust Global Assets Management Limited	-	-	1,000	1,000

(a) This represents the Company's investment in Unitrust Global Assets Management Limited. The company was incorporated in January 2001 and its principal activity involves the provision of property management services to both individual and corporate clients. In the opinion of the directors, the value of the investment is in excess of its cost and therefore, no allowance for impairment has been recognised in the Company's books.

The Voluntary liquidation process of Unitrust Global Assets Management Limited has been approved by the Corporate Affairs Commission effective 14th March 2023.

(b) The details of the consolidated subsidiary are shown below:

Company name	*Country of incorporation*	*Nature of Business*	2022	2021
Unitrust Global Assets Management Limited	Nigeria	Property Management	100%	100%

The year-end consolidated is 31 December 2022

20 Investment property

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
At 1 January	493,000	391,000	493,000	391,000
Revaluation gain (see note 42(a))	-	102,000	-	102,000
At 31 December	**493,000**	**493,000**	**493,000**	**493,000**
Current	-	-	-	-
Non-current	493,000	493,000	493,000	493,000
	493,000	**493,000**	**493,000**	**493,000**

Property	**Balance at 1 January 2022**	**Additional**	**Disposal**	**Fair value Adjustment**	**Balance at 31 December 2022**
Eko Akete Housing Estate, Kilometre 39/40, Lekki-Epe Expressway, Abijo/Awoyaya, Lagos State(landed property)	493,000	-	-	-	493,000
Total	**493,000**	**-**	**-**	**-**	**493,000**

This represents the Company's investment in landed property (Eko Akete Landed Property) for the purpose of capital appreciation. The title of this property has been transferred to Unitrust through a deed of sub lease dated 3rd Novemebr 2010 and has been registered in the land registry office.The investment property was independently valued by Paul Osaji & Co. Estate surveyor (FRC/2013/00000000001098) and additionally certified by Mr Paul Osaji FRC/2013/NIESV/00000001880 as at 31 December 2022 to ascertain the open market value of the investment property. The open market value of the property was ₦493,000,000 (2021: ₦493,000,000). The valuer is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers. The cost of the land when acquired was N250,475,806.75.

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Valuation technique and significant observable inputs

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

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

21 Intangible assets

	Group	Group	Company	Company
	31-Dec-2022	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Cost:				
At 1 January	91,970	80,462	91,970	80,462
Additions	42,116	11,508	42,116	11,508
Reclassified from Advance to vendors (Note 16(a))	23,670	-	23,670	-
Balance at 31 December	157,756	91,970	157,756	91,970
Accumulated amortization:				
Balance at 1 January	67,328	48,249	67,328	48,249
Amortization charge for the year	19,973	19,079	19,973	19,079
Balance at 31 December	87,301	67,328	87,301	67,328
Net book value				
At 31 December	70,455	24,642	70,455	24,642

The Group's intangible asset represents purchased computer software. The computer softwares are accounted for using the cost model in line with IAS 38 i.e. cost less accumulated amortization and accumulated impairment. The amortization is charged to the income statement in line with the Group's policy.

(i) There were no impairment losses on intangible assets during the year (31 December 2021: Nil)

(ii) There were no capitalized borrowing cost related to acquisition of intangible assets during the year. (31 December 2021: Nil)

(iii) There were no liens or encumbrances on intangible assets as at the year end (31 December 2021: Nil)

(iv) All intangible assets are non-current. All intangible assets have finite useful lives.

(v) There are no internally generated or leased assets included in the above intangible assets account.

(vi) There are no capital commitments as at year end (31 December 2021: Nil)

Current	-	-	-	-
Non-current	70,455	24,642	70,455	24,642
	70,455	**24,642**	**70,455**	**24,642**

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22 Property and equipment - 2022
(a) Group and Company

	Land	Building & Leasehold Improvements	Motor Vehicles	Computer Equipment	Office Equipment	Furniture & Fittings	Total
Cost							
At 1 January	6,172,000	682,298	458,038	107,513	126,211	92,268	7,638,328
Additions	-	25,253	122,019	29,338	18,690	8,460	203,760
Disposals	-	(707)	(86,352)	(6,600)	(5,018)	(857)	(99,534)
Revaluation surplus (see note 32)	466,000	(24,340)	-	-	-	-	441,660
Balance, end of year	6,638,000	682,504	493,705	130,251	139,883	99,870	8,184,214
Accumulated depreciation							
At 1 January	-	77,299	259,432	66,775	101,251	83,752	588,509
Charge for the year	-	13,914	61,529	25,654	12,457	6,070	119,624
Disposals	-	(707)	(79,588)	(6,516)	(5,018)	(857)	(92,686)
Balance, end of year	-	90,506	241,373	85,913	108,690	88,965	615,447
Net book value							
As at 31 December 2022	6,638,000	591,998	252,332	44,338	31,193	10,906	7,568,767
As at 31 December 2021	6,172,000	605,000	198,606	40,739	24,959	8,515	7,049,819

(i) Land and building has been re-valued by Paul Osaji & Co. Estate surveyor (FRC/2013/00000000001098) and additionally certified by Mr Paul Osaji FRC/2013/NIESV/00000001880 as at 31 December 2022 to ascertain the open market value of land as N6.638billion and building N592million .The land comprises of the land situated at Ajose Adeogun which is valued at N1billion and a piece of land situated at Eko Atlantic city which will be used for the company new office valued at N5.638billion. The valuer is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers.

(ii) The carrying value of the company land and Building under PPE if revaluation method had not been used will have be: Office Complex at Ajose Adeogun Victoria Island N1.452b and land at Eko Atlantic city N706.8m

(iii) There were no capital commitments contracted or authorized at reporting date (2021: Nil)

(iv) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: Nil).

(v) None of the assets was pledged during the year (2021: Nil).

(vi) Management estimates that the carrying amount of property and equipment does not differ materially from its fair value.

Movement in Land and Building in PPE(2022)

Land							
Location	**Status of title**	**At 1 January 2022**	**Addition**	**Disposal**	**Depreciation**	**Revaluation Gain/(loss)**	**At 31 December 2022**
Plot 105B Ajose adeogun street victoria island Lagos	Perfected	987,000	-	-	-	13,000	1,000,000
DT-A-55 Eko Atlantic city development scheme, bar beach, victoria island, Lagos	Perfected	5,185,000	-	-	-	453,000	5,638,000
		6,172,000	-	-	-	466,000	**6,638,000**
Building							
Location	**Status of title**	**At 1 January 2022**	**Addition**	**Disposal**	**Depreciation**	**Revaluation Gain/(loss)**	**At 31 December 2022**
Plot 105B Ajose adeogun street victoria island Lagos	COO/Governor's consent	605,000	25,253	-	(13,914)	(24,340)	591,999
		605,000	25,253	-	(13,914)	(24,340)	591,999
Total		6,777,000	25,253	-	(13,914)	441,660	**7,229,999**

Perfection status of Land & Building

Asset description	**Status of title**	**Location**	**Value**
Land	Perfected	Plot 105B Ajose adeogun street victoria island Lagos	1,000,000
Land	Perfected	DT-A-55 Eko Atlantic city development scheme, bar beach, victoria island, Lagos	5,638,000
			6,638,000
Buidling	COO/Governor's consent	Plot 105B Ajose adeogun street victoria island Lagos	591,999
			7,229,999

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22 Property and equipment - 2021
(a) Group and Company

	Land	Building & Leasehold Improvements	Motor Vehicles	Computer Equipment	Office Equipment	Furniture & Fittings	Total
Cost							
At 1 January	5,165,000	720,716	397,464	65,399	107,548	89,292	6,545,419
Additions	-	74,251	94,444	42,114	18,663	2,976	232,448
Disposals	-	-	(33,870)	-	-	-	(33,870)
Revaluation surplus (see note 32)	1,007,000	(112,669)	-	-	-	-	894,331
Balance, end of year	6,172,000	682,298	458,038	107,513	126,211	92,268	7,638,328
Accumulated depreciation							
At 1 January	-	61,947	228,151	50,864	90,904	76,378	508,244
Charge for the year	-	15,352	65,151	15,911	10,347	7,374	114,135
Disposals	-	-	(33,870)	-	-	-	(33,870)
Balance, end of year	-	77,299	259,432	66,775	101,251	83,752	588,509
Net book value							
As at 31 December 2021	6,172,000	604,999	198,606	40,738	24,960	8,516	7,049,819
As at 31 December 2020	5,165,000	658,769	169,313	14,535	16,644	12,914	6,037,175

(i) Land and building has been re-valuated by Paul Osaji & Co. Estate surveyor (FRC/2013/00000000001098) and additionally certified by Mr Paul Osaji FRC/2013/NIESV/00000001880 as at 31 December 2021 to ascertain the open market value of land as N6.17billion and building N605million.The land comprises of the land situated at Ajose Adeogun which is valued at N987million and a piece of land situated at Eko Atlantic city which will be used for the company new office valued at N5.1billion The valuer is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers.

(ii) The carrying value of the company land and Building under PPE if revaluation method had not been used will have be: Office Complex at Ajose Adeogun Victoria Island N1.452 billion and land at Eko Atlantic city N686.3 million.

(iii) There were no capital commitments contracted or authorized at reporting date (2020: Nil)

(iv) There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (2020: Nil).

(v) None of the assets was pledged during the year (2020: Nil).

(vi) Management estimates that the carrying amount of property and equipment does not differ materially from its fair value.

Movement in Land and Building in PPE(2021)

Land

Location	Status of title	At 1 January 2021	Addition	Disposal	Depreciation	Revaluation Gain/(loss)	At 31 December 2021
Plot 105B Ajose adeogun street victc	Perfected	1,149,000	-	-	-	(162,000)	987,000
DT-A-55 Eko Atlantic city development scheme, bar beach, victoria island, Lagos	Perfected	4,016,000	-	-	-	1,169,000	5,185,000
		5,165,000	-	-	-	1,007,000	6,172,000

Building

Location	Status of title	At 1 January 2021	Addition	Disposal	Depreciation	Revaluation Gain/(loss)	At 31 December 2021
Plot 105B Ajose adeogun street victoria island Lagos	COO/Governor's consent	720,716	74,251	-	(77,299)	(112,669)	605,000
		720,716	74,251	-	(77,299) -	(112,669)	605,000
Total		**5,885,716**	**74,251**	-	**(77,299)**	**894,331**	**6,777,000**

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23 Statutory deposit

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
General Business	315,000	315,000	315,000	315,000
	315,000	315,000	315,000	315,000
Current	-	-	-	-
Non-Current	315,000	315,000	315,000	315,000
	315,000	315,000	315,000	315,000

24 Insurance contract liabilities

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Outstanding claims (see note (a) ii)	1,516,487	1,356,768	1,516,487	1,356,768
Incurred but not reported (IBNR) (see note (a) iii)	679,688	625,742	679,688	625,742
Total outstanding claims including IBNR (see note (a) i)	2,196,175	1,982,510	2,196,175	1,982,510
Unearned premium (see note (b))	1,303,646	1,218,462	1,303,646	1,218,462
Total insurance contract liabilities	3,499,821	3,200,972	3,499,821	3,200,972

(a) Outstanding claims

(i) Outstanding claims represent the estimated costs of settling all claims arising from incidents occurring as at the reporting date. The Liability Adequacy Test (LAT) was carried out by EY Nigeria, a firm of certified actuaries with FRC number FRC/2012/00000000339. The valuation report was signed by Wise Chigudu with FRC number FRC/2022/PRO/NAS/004//00000024119 The claims reserve was calculated using the Discounted Inflation Adjusted Basic Chain Ladder method.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Bond	1,440	944	1,440	944
Engineering	278,294	214,488	278,294	214,488
Fire	642,778	609,587	642,778	609,587
General accident	338,842	223,901	338,842	223,901
Marine	128,026	89,777	128,026	89,777
Motor	196,068	257,340	196,068	257,340
Oil and gas	610,727	586,473	610,727	586,473
	2,196,175	**1,982,510**	**2,196,175**	**1,982,510**

(ii) Movement in provision for outstanding claims

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance at 1 January	1,356,768	1,954,470	1,356,768	1,954,470
Addition/ (reduction) during the year (see note 39)	159,719	(597,702)	159,719	(597,702)
Balance at 31 december	1,516,487	1,356,768	1,516,487	1,356,768

(iii) **Claims incurred but not reported**

	Group 31-Dec-2021	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance at 1 January	625,742	484,311	625,742	484,311
Addition during the year (see note 39)	53,946	141,431	53,946	141,431
Balance at 31 december	679,688	625,742	679,688	625,742

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(iv) The age analysis of provision for outstanding claims is shown below:

Age analysis of outstanding claims - 2022

Oustanding claims per claimant	0 - 90 days	91 - 180 days	181 - 270 days	271- 365days	366 days+	Total
1-250,000	13,086	8,362	10,254	7,605	64,238	103,546
250,001-500,000	9,199	10,888	10,793	10,865	70,262	112,007
500,001-1,500,000	27,904	15,744	10,322	8,312	114,444	176,726
1,500,001-2,500,000	9,333	7,423	6,430	3,685	59,331	86,201
2,500,000-5,000,000	25,396	9,555	12,810.47	26,935	90,043	164,739
Above 5,000,000	70,375	98,472	32,378	138,371	533,672	873,268
Total	**155,292**	**150,444**	**82,988**	**195,774**	**931,989**	**1,516,487**

The company began 2022 with an oustanding claims of N1.36 billion from prior year and closed with N1.52 billion which represents an increase of N159.7 million of which 77% is above 90days holding period with 100% due to substantiating of documentation.

Below is the breakdown of the outstanding claims and the number of claimants for the year 2022

Days outstanding	No of Claimants	12/31/2022
0 - 90 days	193	155,292
91 - 180 days	145	150,444
181 - 270 days	159	82,988
271 - 365 days	126	195,774
Over 365 days	1142	931,989
Total	**1765**	**1,516,487**

Below are further breakdown of the outstanding claims and the reasons for their existence:

Age analysis of oustanding claim by reason of being oustanding as at December 31,2022						
Details/Reason	**0-90 days**	**91-180 days**	**181-270 days**	**271-365 days**	**366 days+**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Discharge vouchers signed and returned by policy holders	8,692		-		-	8,692
Discharge voucher not yet signed and returned by policy holder	153	591	1,471	28	5,047	7,290
Awaiting loss adjusters report	1,533	-	-	5,509	451,208	458,250
Incomplete Documentations	153,699	150,434	77,414	188,644	445,755	1,015,946
Pending Litigations	-	-	-	-	26,310	26,310
	164,077	**151,025**	**78,885**	**194,180**	**928,319**	**1,516,487**

Outstanding claims days	Amount	Remarks
0 - 90 days	155,292	Claims documentation
91 - 180 days	150,444	Claims documentation
181 - 270 days	82,988	Claims documentation
271- 365days	195,774	Claims documentation
Over 365 days	931,989	Claims documentation/litigation
	1,516,487	

Age analysis of outstanding claims - 2021

Oustanding claims per claimant	0 - 90 days	91 - 180 days	181 - 270 days	271- 365days	366 days+	Total
1-250,000	16,051	11,931	7,412	8,664	56,220	100,278
250,001-500,000	15,540	14,860	11,818	20,097	56,057	118,372
500,001-1,500,000	24,604	18,547	9,228	11,971	127,939	192,289
1,500,001-2,500,000	15,217	12,619	4,053	7,791	73,821	113,501
2,500,001-5,000,000	27,131	5,000	-	6,983	117,118	156,232
Above 5,000,000	19,359	7,671	33,921	7,500	607,645	676,096
Total	**117,902**	**70,628**	**66,432**	**63,006**	**1,038,800**	**1,356,768**

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Below is the breakdown of the outstanding claims and the number of claimants for the year 2021

Days outstanding	No of Claimants	12/31/2021
0 - 90 days	185	117,902
91 - 180 days	149	70,628
181 - 270 days	124	66,432
271 - 365 days	149	63,006
Over 365 days	2060	1,038,800
Total	**2667**	**1,356,768**

(v) Included as part of Outstanding claims for the year is the amount N26.3 million representing insurance claims subject to ongoing litigation. The directors are of the opinion that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for a at 31 December 2022.

(b) Unearned premium

(i) Unearned premium represents premium relating to risk for period not within the accounting period and constitutes liabilities for short-term insurance contracts for which the Company's obligations have not expired as at year end.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Agriculture	1,780	-	1,780	-
Bond	27,397	1,833	27,397	1,833
Engineering	138,805	102,070	138,805	102,070
Fire	376,220	293,129	376,220	293,129
General accident	215,162	176,655	215,162	176,655
Marine	52,535	78,916	52,535	78,916
Motor	292,663	225,550	292,663	225,550
Oil and gas	199,084	340,308	199,084	340,308
	1,303,646	1,218,462	1,303,646	1,218,462

(ii) **Movement in unearned premium:**

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	1,218,462	713,585	1,218,462	713,585
Increase during the year (see note 36)	85,184	504,877	85,184	504,877
Balance, end of year	1,303,646	1,218,462	1,303,646	1,218,462

25 Trade payables

Trade payables represent liabilities to re-insurers, brokers, insurance companies and agents on insurance contracts as at year end.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Due to reinsurers	219,667	239,234	219,667	239,234
Unearned commission income (see note 25 (b))	118,967	107,325	118,967	107,325
Premium received in advance	163,098	209,674	163,098	209,674
	501,733	556,233	501,733	556,233

25(b) **Movement in unearned commission income:**

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	107,325	60,315	107,325	60,315
Commission income duirng the year (see note 38)	390,283	402,083	390,283	402,083
Commission income earned during the year (see note 38)	(378,641)	(355,073)	(378,641)	(355,073)
Balance, end of year	118,967	107,325	118,967	107,325

All amounts are payable within one year.

Current	501,733	556,233	501,733	556,233
Non-Current	-	-	-	-
	501,733	556,233	501,733	556,233

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26 Accruals and other payables

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Accrued Admin expenses	6,971	3,517	6,971	1,142
Accrued ITF	6,718	6,053	6,718	6,053
Accrued Withholding Tax	7,005	7,246	7,005	7,246
Accrued retirement benefit	3,724	3,724	3,724	3,724
Accrued supervision levy	53,576	51,051	53,576	51,051
Accrued salaries	119	9,852	119	9,852
Accrued Valuation fees	10,340	11,800	10,340	11,800
Accrued Audit fee	21,000	20,000	21,000	20,000
Deferred income on rent	13,775	13,775	13,775	13,775
Intercompany payables (see note a below)	-	-	53,780	57,809
Dividend payable	2,094	1,783	2,094	1,783
Pension Payables	11,836	12,005	11,836	12,005
VAT Payables	2,036	20,172	2,036	20,172
PAYE	1,068	-	1,068	-
Sundry payable (see note b below)	22,560	25,565	13,008	25,565
	162,822	186,543	207,050	241,977

(a) Intercompany payables represents subsidiary's current account with the company.

(b) Sundry payable consists of stale cheque payments and other sundry creditors.

Current	157,004	181,036	201,232	236,470
Non-Current	5,818	5,507	5,818	5,507
	162,822	186,543	207,050	241,977

27 Current income tax liabilities

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	23,367	45,131	19,917	41,681
Charge for the year (see note 47)	34,660	17,591	34,660	17,591
Payments during the year	(12,407)	(39,355)	(12,407)	(39,355)
Balance, end of year	45,620	23,367	42,170	19,917

Current	45,620	23,367	42,170	19,917
Non-Current	-	-	-	-
	45,620	23,367	42,170	19,917

Corporate income tax has been computed at the rate of 30% of total profits (2021: 30%) ,education levy at the rate of 2.5% of assessable profits (2021: 2%) and NITDA 1% (2021:1%) for the year after adjusting for certain items of income and expenditure which are not deductible or chargeable for tax purposes.

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28 Deferred tax liabilities

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

(a) Deferred tax assets and liabilities are attributable to the following:

Group

	31-Dec-2022			31-Dec-2021		
	Assets	**Liabiltities**	**Net**	**Assets**	**Liabiltities**	**Net**
Property and equipment	(133,639)	356,202	222,563	(67,901)	485,395	417,494
Investment property	-	24,252	24,252	-	24,252	24,252
Expected credit loss (ECL) allowance	(5,532)	-	(5,532)	(7,814)	-	(7,814)
Unrealised exchange gain	-	31,778	31,778	-	35,396	35,396
Intangible assets	-	12,365	12,365	-	5,084	5,084
Unrelieved Loss	(17,247)	-	(17,247)	(28,170)	-	(28,170)
	(156,418)	424,597	268,179	(103,885)	550,127	446,242

Company

	31-Dec-2022			31-Dec-2021		
	Assets	**Liabiltities**	**Net**	**Assets**	**Liabiltities**	**Net**
Property and equipment	(133,639)	356,202	222,563	(67,901)	485,395	417,494
Investment property	-	24,252	24,252	-	24,252	24,252
Expected credit loss (ECL) allowance	(5,532)	-	(5,532)	(7,814)	-	(7,814)
Unrealised exchange gain	-	31,778	31,778	-	35,396	35,396
Intangible assets	-	12,365	12,365	-	5,084	5,084
Unrelieved Loss	(17,247)	-	(17,247)	(28,170)	-	(28,170)
	(156,418)	424,597	268,179	(103,885)	545,043	446,242

(b) Movements in temporary differences during the year ended 31 December 2022:

	Group				Company			
	Balance at 1 January	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 31 December**	**Balance at 1 January**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 31 December**
Property and equipment	417,494	(59,130)	(135,801)	222,563	417,494	(59,130)	(135,801)	222,563
Investment property	24,252	-	-	24,252	24,252	-	-	24,252
Expected credit loss (ECL) allowance	(7,814)	2,282	-	(5,532)	(7,814)	2,282	-	(5,532)
Unrealised exchange gain	35,396	(3,618)	-	31,778	35,396	(3,618)	-	31,778
Intangible assets	5,084	7,281		12,365	5,084	7,281		12,365
Unrelieved Loss	(28,170)	10,923	-	(17,247)	(28,170)	10,923	-	(17,247)
	446,242	(42,262)	(135,801)	268,179	446,242	(42,262)	(135,801)	268,179

(b) Movements in temporary differences during the year ended 31 December 2021:

	Group				Company			
	Balance at 1 January	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 31 December**	**Balance at 1 January**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 31 December**
Property and equipment	300,237	(72,530)	189,787	417,494	300,237	(72,530)	189,787	417,494
Investment property	14,052	10,200	-	24,252	14,052	10,200	-	24,252
Expected credit loss (ECL) allowance	(10,261)	2,447	-	(7,814)	(10,261)	2,447	-	(7,814)
Unrealised exchange gain	27,863	7,533	-	35,396	27,863	7,533	-	35,396
	331,891	(75,436)	189,787	446,242	331,891	(75,436)	189,787	446,242

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29 Share capital:

Share capital comprises:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Authorized:				
5,002015,208 Ordinary shares of ₦1 each	5,002,015	7,500,000	5,002,015	7,500,000
Issued and fully paid:				
Balance, beginning of year	5,002,015	5,002,015	5,002,015	5,002,015
5,002,015,208 Ordinary shares of ₦1 each	5,002,015	5,002,015	5,002,015	5,002,015

Pursuant to Regulation 13 of the Companies Regulation 2021 ("Companies Regulations") and the public notice issued by the Corporate Affairs Commission (CAC) on April 16, 2021 which mandate companies with unissued shares in its share capital to fully issue such shares, the Company has cancelled its unissued authorized shares after obtaining the regulatory aprroval as at December 2022.

29(b) Share Premium	872,369	872,369	872,369	872,369
The movement in this account during the year is as follows:				
Balance, beginning of year	872,369	872,369	872,369	872,369
Balance, end of year	872,369	872,369	872,369	872,369

30 Contingency reserve

The Company maintains a statutory contingency reserve in accordance with the provisions of the Insurance Act, 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	2,743,680	2,590,527	2,743,680	2,590,527
Transfer from profit	160,728	153,153	160,728	153,153
Balance, end of year	2,904,408	2,743,680	2,904,408	2,743,680

31 Retained earnings

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	1,117,588	1,109,337	1,066,283	1,059,453
Impact of previously unrecognised reserves	-	(24,012)	-	(24,012)
Adjusted opening balance	1,117,588	1,085,325	1,066,283	1,035,441
Dividend paid	(150,061)	(200,081)	(150,061)	(200,081)
Transfer from profit	96,080	385,497	100,111	384,076
Transfer to contingency reserves (see note 30)	(160,728)	(153,153)	(160,728)	(153,153)
Balance, end of year	**902,879**	**1,117,588**	**855,605**	**1,066,283**

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32 Asset revaluation reserve

Asset revaluation reserve comprises the cummulative net change in the fair value of land and building.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	5,573,336	4,868,792	5,573,336	4,868,792
Revaluation increase (see note 22)	441,660	894,331	441,660	894,331
Tax impact of revaluation decrease/(increase)*	135,801	(189,787)	135,801	(189,787)
Balance, end of year	**6,150,797**	**5,573,336**	**6,150,797**	**5,573,336**

*Relates to the reduction/increase in the deferred tax liability arising from net realizable gain on Land and Building. See note 28(b) for the details of the decrease.

33 Fair value reserve

The fair value reserve comprises the cummulative net change in the fair value of Financial assets until assets are derecognised or impaired.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Balance, beginning of year	(81,212)	(73,724)	(81,212)	(73,724)
Fair value loss for the year on quoted investment (see note 11 (a))	(17,822)	(18,241)	(17,822)	(18,241)
Fair value gain for the year on unquoted investment (see note 11 (b))	8,514	10,753	8,514	10,753
Balance, end of year	(90,520)	(81,212)	(90,520)	(81,212)

34 Earnings per share - Basic

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Profit attributable to the Company’s equity holders (N'000)	96,080	415,954	100,111	414,533
Weighted average number of ordinary shares in issue ('000) see note (b)	5,002,015	5,002,015	5,002,015	5,002,015
Basic earnings per share (kobo)	2	8	2	8

34(b)

Weighted-average number of ordinary shares (basic)	Group 31-Dec-2021	Group 31-Dec-2021	Company 31-Dec-2021	Company 31-Dec-2021
Issued ordinary shares at 1 January	5,002,015	5,002,015	5,002,015	5,002,015
Weighted-average number of ordinary shares at 31 December	**5,002,015**	**5,002,015**	**5,002,015**	**5,002,015**

The Company does not have any dilutive shares. Consequently, basis and diluted earnings per share are the same.

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35 Gross premium written

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Gross insurance premium revenue	5,357,608	5,105,109	5,357,608	5,105,109

36 Gross premium income

The insurance premium income is analyzed as follows:	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Short-term insurance contracts:				
Gross premium	5,357,608	5,105,109	5,357,608	5,105,109
Movement in unearned premium (see note i)	(85,183)	(504,877)	(85,183)	(504,877)
Premium income arising from insurance contracts issued	5,272,425	4,600,232	5,272,425	4,600,232

36(i) 31 December 2022

	Group and Company		
	Gross premium written	Unearned premium	Gross premium earned
Fire	1,399,991	(83,091)	1,316,900
General accident	690,854	(38,507)	652,347
Motor	1,026,282	(67,113)	959,169
Marine	296,410	26,381	322,791
Bond	46,375	(25,564)	20,811
Engineering	369,355	(36,734)	332,621
Agriculture	2,538	(1,780)	758
Oil and energy	1,525,803	141,225	1,667,028
	5,357,608	**(85,183)**	**5,272,425**

31 December 2021

	Group and Company		
	Gross premium written	Unearned premium	Gross premium earned
Fire	1,165,143	(142,305)	1,022,838
General accident	550,627	(46,574)	504,053
Motor	820,328	(27,209)	793,119
Marine	344,517	(25,289)	319,228
Bond	9,683	10,557	20,240
Engineering	295,478	(31,152)	264,326
Oil and energy	1,919,333	(242,905)	1,676,428
	5,105,109	**(504,877)**	**4,600,232**

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37 Reinsurance expenses

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Reinsurance premium	(2,577,996)	(2,500,390)	(2,577,996)	(2,500,390)
M & D premium payment amortized (see note 14(d))	(44,731)	(42,898)	(44,731)	(42,898)
	(2,622,727)	**(2,543,288)**	**(2,622,727)**	**(2,543,288)**
Increase in prepaid reinsurance premium (See note 14c)	44,469	285,203	44,469	285,203
Premium revenue ceded to reinsurers on insurance contracts issued	**(2,578,258)**	**(2,258,085)**	**(2,578,258)**	**(2,258,085)**
Reinsurance premium:				
Ceded Local	(317,801)	(1,092,951)	(317,801)	(1,092,951)
Ceded abroad	(2,304,926)	(1,450,337)	(2,304,926)	(1,450,337)
Total	**(2,622,727)**	**(2,543,288)**	**(2,622,727)**	**(2,543,288)**

38 Commission income

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Reinsurance commission(see note 25(b))	390,283	402,083	390,283	402,083
Deferred commision income	(11,642)	(47,010)	(11,642)	(47,010)
	378,641	355,073	378,641	355,073

39 Claims expenses

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Claims paid	1,938,957	1,901,626	1,938,957	1,901,626
Outstanding claims (see note 24 a(ii))	159,719	(597,702)	159,719	(597,702)
IBNR (see note 24 a(iii))	53,946	141,431	53,946	141,431
Total claims and loss adjustment expenses	2,152,622	1,445,355	2,152,622	1,445,355
Recoverable from re-insurers (see note a below)	(770,610)	(479,533)	(770,610)	(479,533)
Net claims and loss adjustment expenses	1,382,012	965,822	1,382,012	965,822

(a) Recoverable from re-insurers

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Recovery from salvage	(52,976)	(92,675)	(52,976)	(92,675)
Reinsurance share on paid claims (see note 14(e)	(755,802)	(881,608)	(755,802)	(881,608)
Reinsurance share of outstanding claims(see note 14(a))	65,210	531,412	65,210	531,412
Reinsurance share of IBNR(see note 14(b))	(27,042)	(36,662)	(27,042)	(36,662)
	(770,610)	**(479,533)**	**(770,610)**	**(479,533)**

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40 Underwriting expenses

Underwriting expenses comprise acquisition and maintenance expenses. Acquisition expenses are those incurred in originating insurance contracts. They include commissions or brokerage paid to agents or brokers and other indirect expenses. Maintenance expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistical and reports, and other incidental costs attributable to maintenance.

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Acquisition expenses (see note (a) below)	1,406,975	1,306,318	1,406,975	1,306,318
	1,406,975	1,306,318	1,406,975	1,306,318

(a) **Acquisition expenses**

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Commissions	733,797	730,959	733,797	730,959
Other acquisition cost	294,537	253,569	294,537	253,569
Insurance staff costs	424,888	398,734	424,888	398,734
	1,453,222	1,383,262	1,453,222	1,383,262
Increase in deferred acquisition cost (see note 15b)	(46,247)	(76,944)	(46,247)	(76,944)
	1,406,975	1,306,318	1,406,975	1,306,318

Insurance staff costs represent underwriting staff salaries for the year.

41 Investment income

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Interest Income on Amortized cost	420,667	385,852	420,667	385,852
Interest Income on cash and cash equivalents	74,252	40,797	74,252	40,797
Interest Income on statutory Deposits	13,210	8,006	13,210	8,006
Interest on lease	8,293	4,724	8,293	4,724
Dividend income	26,923	25,965	26,923	25,965
	543,345	465,344	543,345	465,344
Investment income is attributable to:				
Shareholders' funds	245,105	191,619	245,105	191,619
Policyholders' funds	298,240	273,725	298,240	273,725
	543,345	465,344	543,345	465,344

42 Net gain on foreign Exchange translation

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Net gains on translation of foreign currency	231,912	192,164	231,912	192,164
	231,912	192,164	231,912	192,164
Net gains translation on USD	235,826	188,483	235,826	188,483
Net loss translation on GBP	(3,896)	3,733	(3,896)	3,733
Net loss translation on Euro	(18)	(52)	(18)	(52)
	231,912	192,164	231,912	192,164

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42 (a) Net fair value gains on assets at fair value through profit or loss

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Fair value gains on investment property (see note 20)	-	102,000	-	102,000
	-	102,000	-	102,000

42 (b) Share of loss on equity accounted investee

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Share of profit/(loss) on investment in associate (see note 18)	5,378	(8,470)	5,378	(8,470)
	5,378	(8,470)	5,378	(8,470)

43 Other operating income

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Rental income	36,325	39,806	36,325	39,806
Profit on disposal of property and equipment	11,229	3,429	11,229	3,429
Fee income on travel insurance	2,171	1,988	2,171	1,988
Sundry income	312	75	312	75
	50,037	45,298	50,037	45,298

44 Employee benefit expenses

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Non-insurance staff costs	254,950	218,781	254,950	218,781
	254,950	218,781	254,950	218,781

(a) Employee costs, including the executive director during the year:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Short-term benefits	200,110	205,530	200,110	205,530
Pension costs – defined contribution plan*	54,840	13,251	54,840	13,251
	254,950	218,781	254,950	218,781

*The pension cost represents employer's contribution under defined contribution plan.

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45 Other operating expenses

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Repairs and maintenance	84,077	31,015	84,077	31,015
Administration expenses	129,535	121,447	125,504	121,447
Stationeries & periodicals	21,222	29,554	21,222	29,554
Electricity & Power	72,382	37,995	72,382	37,995
Insurance expenses	16,029	19,465	16,029	19,465
Auditors' remuneration**	21,000	20,000	21,000	20,000
Directors' fee & remuneration (see note 48(b)(i))	56,986	26,957	56,986	26,957
Professional fees	46,481	82,845	46,481	82,845
Bank Charges	14,738	19,097	14,738	19,097
Rent and Rates*	43,359	28,376	43,359	28,376
Supervisory levy	51,051	51,051	51,051	51,051
Corporate advert	63,592	49,453	63,592	49,453
Other management expenses	18,040	34,336	18,040	35,757
	638,492	**551,591**	**634,461**	**553,012**

* Rent and rates expense relate to short term lease which the Group has elected not to recognise right-of use assets and lease liability. The Group therefore recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

** KPMG professional Services didn't render any non-audit services for the Group and the Company during the year.

46 Net write-back of impairment on financial and other assets

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Recovery of Financial asset	-	1,800	-	1,800
	-	**1,800**	**-**	**1,800**

This represents recovery on lease which was previously written-off

47 Income tax expense

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
The tax charge for the year comprises:				
Company income tax	32,687	14,313	32,687	14,313
Tertiary education tax	-	-	-	-
NITDA levy	1,964	3,262	1,964	3,262
Police trust fund	9	16	9	16
	34,660	17,591	34,660	17,591
Deferred tax credit	(42,262)	(75,436)	(42,262)	(75,436)
	(7,602)	**(57,845)**	**(7,602)**	**(57,845)**

Notes to the Consolidated and Separate Financial Statements
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47(b) Reconciliation of effective tax rate

	Group			
	31-Dec-2022		31-Dec-2021	
Profit before tax		**88,478**		**327,652**
Income tax using the domestic corporation tax rate	30%	26,543	30%	98,296
Non-deductible expenses	130%	115,062	22%	70,689
Tax exempt income	-160%	(141,605)	-52%	(168,986)
Minimum Tax	37%	32,687	4%	14,313
Education tax levy	2%	1,964	0%	-
NITDA	0%	-	1%	3,262
Police trust fund levy	0%	8	0%	16
Effect of Changes in Temporary Differenc	-48%	(42,261)	-23%	(75,435)
	-9%	**(7,602)**	**-14%**	**(57,845)**

	Company			
	31-Dec-2022		31-Dec-2021	
Profit before tax		**92,509**		**326,231**
Income tax using the domestic corporation tax rate	30%	27,753	30%	98,296
Non-deductible expenses	124%	115,062	22%	70,689
Tax exempt income	-154%	(142,814)	-52%	(168,986)
Minimum Tax	35%	32,687	4%	14,313
Education tax levy	2%	1,964	0%	-
NITDA	0%	-	1%	3,262
Police trust fund levy	0%	8	0%	16
Effect of Changes in Temporary Differenc	-46%	(42,261)	-23%	(75,435)
	-8%	**(7,602)**	**-14%**	**(57,845)**

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48 Staff and Directors'

(a) ***Staff and directors' analysis:***

(i) Employees earning more than ₦100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
	Number	Number	Number	Number
₦500,001 - ₦750,000	-	-	-	-
₦750,001 - ₦1,000,000	5	7	5	7
₦1,000,001 - ₦2,000,000	25	29	25	29
₦2,000,001 - ₦3,000,000	25	19	25	19
Over ₦3,000,000	62	60	62	60
	117	115	117	115

(ii) The average number of full time persons employed by the Company during the year was as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
	Number	Number	Number	Number
Management staff	23	23	23	23
Non-management staff	94	92	94	92
	117	115	117	115

(ii) Analysis of staff salary during the year was as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Salary of Executive Directors	49,088	44,875	49,088	44,875
Other Staff (excluding executive directors)	630,750	572,640	630,750	572,640
	679,838	617,515	679,838	617,515

(b) ***Director's remuneration***

(i) Remuneration paid to the non-executive directors of the Company (excluding pension contribution and certain benefits) was as follows:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Directors' fees	8,500	1,530	8,500	1,530
Other emoluments	48,486	25,427	48,486	25,427
	56,986	26,957	56,986	26,957

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

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
Chairman	2,250	3,450	2,250	3,450
Highest paid director	12,954	4,470	12,954	4,470

(iii) The emoluments of all other directors fell within the following ranges:

	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
	Number	Number	Number	Number
₦0 - ₦1,600,000	-	-	-	-
₦1,600,000 - ₦2,700,000	2	2	2	2
₦2,700,001 - ₦3,800,000	3	1	3	1
₦3,800,001 - ₦4,999,999	3	3	3	3
	8	6	8	6

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49 Statement of cash flow notes

Details of the statement of cash flows workings are presented below.

		Notes	Group 31-Dec-2022	Group 31-Dec-2021	Company 31-Dec-2022	Company 31-Dec-2021
(i)	Cash premium received					
	Gross written premium per income statement	35	5,357,608	5,105,109	5,357,608	5,105,109
	Add: Opening trade receivables	13	20,196	39,189	20,196	39,189
	Less:					
	Closing receivables	13	(43,397)	(20,196)	(43,397)	(20,196)
	Opening premium received in advance	25	(209,674)	(271,150)	(209,674)	(271,150)
			5,124,733	4,852,952	5,124,733	4,852,952
(ii)	Reinsurance payments					
	Reinsurance premium	37	(2,622,727)	(2,543,288)	(2,622,727)	(2,543,288)
	Add: Opening due to reinsurance	25	(239,234)	(347,028)	(239,234)	(347,028)
	Less:					
	Closing due to reinsurance	25	219,667	239,234	219,667	239,234
	Opening M&D premium prepaid	37	44,731	42,898	44,731	42,898
			(2,597,563)	(2,608,184)	(2,597,563)	(2,608,184)
(iii)	Reinsurance claim recoveries					
	Recovery from salvage	39(a)	52,976	92,675	52,976	92,675
	Reinsurer recoveries received (	14(e)	919,999	623,540	919,999	623,540
			972,975	716,215	972,975	716,215
(iv)	Cash payment to and on behalf of employees					
	Insurance staff costs	40(a)	(424,888)	(398,734)	(424,888)	(398,734)
	Employee benefit expense	44	(254,950)	(218,781)	(254,950)	(218,781)
			(679,838)	(617,515)	(679,838)	(617,515)
(v)	Commission paid					
	Commissions	40(a)	(733,797)	(730,959)	(733,797)	(730,959)
	Other acquisition cost	40(a)	(294,537)	(253,569)	(294,537)	(253,569)
			(1,028,334)	(984,528)	(1,028,334)	(984,528)
(vi)	Dividend income on fair value through other comprehensive income					
	Dividend income per income in	41	26,923	25,965	26,923	25,965
	Add: Opening dividend receivable		-	-	-	-
	Less: Closing dividend receivable		-	-	-	-
			26,923	25,965	26,923	25,965

Notes to the Consolidated and Separate Financial Statements
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(vii) Interest received

Interest Income on Amortized cost	41	420,667	385,852	420,667	385,852
Interest Income on cash and cash equivalents	41	74,252	40,797	74,252	40,797
Interest Income on statutory Deposits	41	13,210	8,006	13,210	8,006
Interest accrued on quoted debt securities	12 (a)	(378,193)	(352,718)	(378,193)	(352,718)
Interest accrued on placement & commercial paper	12 (b)	(42,474)	(33,134)	(42,474)	(33,134)
		87,462	48,803	87,462	48,803

(viii) Proceeds from disposal of property, plant and equipment

Cost of property, plant and equipment		99,534	33,870	99,534	33,870
Accumulated depreciation as at date of disposal		(92,686)	(33,870)	(92,686)	(33,870)
Carrying amount as at date of disposal		6,848	-	6,848	-
Profit on disposal of property and equipment	43	11,229	3,429	11,229	3,429
Cash proceeds from disposal of property, plant and equipment		18,077	3,429	18,077	3,429

(ix) Dividends paid to owners

Dividend paid	31	(150,061)	(200,081)	(150,061)	(200,081)
Add: Opening dividend payabl	26	(1,783)	(1,368)	(1,783)	(1,368)
Less: Closing dividend payable	26	2,094	1,783	2,094	1,783
		(149,750)	(199,666)	(149,750)	(199,666)

(x) Other Income

Rental income	43	36,325	39,806	36,325	39,806
Fee income on travel insurance	43	2,171	1,988	2,171	1,988
Sundry income	43	312	75	312	75
Deferred income on rent	26	-	13,775	-	13,775
		38,808	55,644	38,808	55,644

(xi) Purchase of Intangible assets

Additions to Intangibe assets	21	65,786	11,508	65,786	11,508
Advance Payment to vendors	16	(23,670)	-	(23,670)	-
		42,116	11,508	42,116	11,508

50 Bonus issue

During the year, no new share was issued (2021: 4:11).

50(b) Dividend

The 2021 full year dividend of 3k per share amounting to a total dividend of N150 million was declared and paid during the year from the retained earnings. No dividend was proposed for 2022 financial year.

51 Contingents

(a) *Claims and litigations*

The Company has seven (7) litigation cases that arose in the ordinary cause of business with total contingency liability of about N 201,294,014.50 (2021: N482,996,539). Based on the advice of counsel, the directors are of the opinion that the outcome of these cases will not have an adverse effect on the financial position of the company beyond the amounts of N26.3 million provided for in the financial statement. (See note 24(a(v)))

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(b) ***Financial guarantees***

The Company provides financial guarantee to third parties at the request of customers in the form of advance payment guarantee under the bond class of insurance business. No provisions in respect of these guarantees have been recognised in these financial statements (2021: Nil).

52 Contravention of laws and regulations

The Company did not pay any fines or penalties during the year. (2021: Nil).

53 Related parties

(a) ***Associate***

Transactions between Unitrust Insurance Company Limited and the associate company Trans Nation-wide Express Plc also meets the definition of related party transactions.

(b) ***Subsidiary***

The Company had one wholly owned subsidiary as at 31 December 2022. The operating and financing activities of the Company are carried out by the parent with a common direction and common management. Transactions between Unitrust Insurance Company Limited and the subsidiary also meet the definition of related party transactions. Transactions that are eliminated on consolidation are not disclosed in the consolidated financial statements.

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

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The key management personnel have been identified as the executive directors, non-executive directors and senior management of the Group.

(i) *Key management compensation*

The compensation of key

	Group	Group	Company	Company
	31-Dec-2022	**31-Dec-2021**	**31-Dec-2022**	**31-Dec-2021**
Short-term employee benefits	187,742	218,781	187,742	218,781
Post-employment benefits	67,208	47,775	67,208	47,775
	254,950	266,556	254,950	266,556

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

The following transactions were carried out with related parties:

Subsidary:

The Company is owing its wholly owned subsidiary; UNIGAM Asset Management Limited the sum of N53.8 million as at 31st December 2022. The amount relates to activities of Estate Asset Management business carried out by the subsidiary.

Name of related party	Relationship	Nature of related party relationship	Outstanding balance	Outstanding balance
			31-Dec-2022	**31-Dec-2021**
Unitrust Global Assets Management Limited	Subsidiary	Intercompany payable (current acount)	53,780	57,809

The intercompany payable amount of N53.8 million (2021: N57.8 million) represents outstanding accumulated management service fee payable to the company's wholly owned subsidiary; Unitrust Global Assets Management Limited in respect of estate management services rendered over the years.

During the year, the Company engaged in transactions with companies whose directors are also directors of Unitrust lnsurance Company Limited at rates and terms comparable to similar transactions carried out during the year. Details of these related party transactions and balances at year end are as follows:

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Name of related party	Relationship	Nature of related party relationship	Outstanding balance	
			31-Dec-2022	31-Dec-2021
Bird song Glory Ltd	Director-related	Finance lease	43,825	36,655
Trans-Nationwide Express Plc	Associate Company	Finance Lease	25,175	844
I.T.B. Nigeria Limited	Director-related	Insurance underwriting	1,504	-
T. Y. Holdings Ltd.	Director-related	Insurance underwriting	95	1,894
T. Y. Danjuma (Lt.Gen.Rtd.)	Director -related	Insurance Underwriting	5,488	424
Cdk Integrated Industry	Director-related	Insurance underwriting	1,285	-
Best Land and Sea	Director -related	Insurance Underwriting	-	620
			77,372	**40,437**

55 Events occurring after the reporting period

Windup of Unitrust Global Asset Management Limited (UNIGAM)

'Mr Adedayo Arowojolu and Mr Kazeem Anibaba were appointed effective 1 February 2023 as the Managing Director/CEO and Executive Director(Technical Operations) respectively following the resignation of Mr. John Ijerheime and Mrs Yetunde Adenuga.

As at 31 March 2023, Corporate Affairs Commission approved the voluntary liquidation of the Company's subsidiary, Unitrust Gobal Asset Management Ltd.

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

Other National Disclosures

Other National Disclosures
Value Added Statement

	Group		Group		Company		Company	
	31-Dec-22		31-Dec-21		31-Dec-22		31-Dec-21	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross premium income	5,272,425		4,600,232		5,272,425		4,600,232	
Commission and other income	378,641		355,073		378,641		355,073	
Total underwriting expenses	(5,367,245)		(4,530,225)		(5,367,245)		(4,530,225)	
Underwriting profit	283,821		425,080		283,821		425,080	
Investment income	830,672		796,336		830,672		796,336	
Allowance for Impairment	7,023		9,822		7,023		9,822	
Bought-in materials and services								
-Local	(638,492)		(551,591)		(634,461)		(553,012)	
-Foreign	-		-		-		-	
Value added	**483,024**	**100**	**679,647**	**100**	**487,055**	**100**	**678,226**	**100**
Applied to pay:								
Employee as salaries and other benefits	254,950	53	218,781	31	254,950	52	218,781	31
Government as tax	(7,602)	(2)	(57,845)	(8)	(7,602)	(2)	(57,845)	(8)
Retained in the business:	-		-					
- Depreciation of property and equipmer	119,624	25	114,135	16	119,624	25	114,135	16
- Amortisation of intangible assets	19,972	4	19,079	2	19,973	4	19,079	3
- To augment reserves	96,080	20	415,954	59	100,111	21	414,533	58
Value added	**483,024**	**100**	**710,104**	**100**	**487,055**	**100**	**708,683**	**100**

Other National Disclosures
Revenue account
For the year ended 31 December 2021
(All amounts are in thousands of naira)

	Motor	Fire	General Accident	Marine	Bond	Engineering	Oil & Gas	31-Dec-2022 Total	31-Dec-2021 Total
INCOME									
Gross premium Written	1,026,282	1,399,991	690,854	296,410	46,375	369,355	1,525,803	**5,357,608**	**5,105,109**
Add: Reinsurance inward premiums	-	-	-	-	-	-	-	**-**	**-**
Total gross premium written	1,026,282	1,399,991	690,854	296,410	46,375	369,355	1,525,803	**5,357,608**	**5,105,109**
Changes in Unearned premium income	(67,113)	(83,091)	(38,507)	26,381	(25,564)	(36,734)	141,225	**(85,183)**	**(504,877)**
Gross insurance premium income	959,169	1,316,900	652,347	322,791	20,811	332,621	1,667,028	**5,272,425**	**4,600,232**
Less: Reinsurance cost									
Reinsurance expenses	(1,746)	(1,062,099)	(223,890)	(111,637)	(7,582)	(200,683)	(1,014,012)	**(2,622,729)**	**(2,543,288)**
Prepaid reinsurance	(324)	96,275	3,243	(19,082)	1,148	33,696	(71,242)	**44,471**	**285,203**
	(2,070)	(965,824)	(220,647)	(130,719)	(6,434)	(166,987)	(1,085,254)	**(2,578,258)**	**(2,258,085)**
Net insurance premium income	**957,099**	**351,077**	**431,700**	**192,072**	**14,377**	**165,634**	**581,774**	**2,694,167**	**2,342,147**
Add: Fee income									
Commissions received	1,112	227,472	52,476	35,466	2,999	44,113	26,434	**390,283**	**402,083**
Deferred commission income	(253)	(27,797)	1,689	4,925	(411)	(8,023)	18,375	**(11,642)**	**(47,010)**
	858	199,675	54,165	40,392	2,588	36,090	44,809	**378,641**	**355,073**
Net underwriting income	**957,958**	**550,752**	**485,865**	**232,464**	**16,965**	**201,724**	**626,583**	**3,072,808**	**2,697,220**
EXPENSES									
Claims paid	90,416	375,541	1,109,660	57,734	-	38,059	267,548	**1,938,957**	**1,901,626**
Outstanding claims	63,806	24,254	(61,272)	40,711	30,728	114,941	496	**213,665**	**(456,270)**
Gross claims expenses	**154,222**	**399,795**	**1,048,388**	**98,445**	**30,728**	**153,000**	**268,044**	**2,152,622**	**1,445,356**
Less: Reinsurance claims recoveries/recoverable	(16,829)	(517,169)	(109,866)	(25,980)	(137)	(61,264)	(39,366)	**(770,610)**	**(479,534)**
Net claims expenses	**137,394**	**(117,374)**	**938,523**	**72,465**	**30,591**	**91,736**	**228,678**	**1,382,012**	**965,822**
Add: Underwriting expenses									
Acquisition expenses	252,449	446,552	201,133	87,207	8,576	123,658	332,872	**1,453,222**	**1,383,262**
Maintenance expenses	-	-	-	-	-	-	-	**-**	-
Deferred acquisition costs	(9,123)	(15,534)	899	7,260	(391)	(7,144)	(21,893)	**(46,247)**	**(76,944)**
Total underwriting expenses	**243,326**	**431,018**	**202,033**	**94,468**	**8,185**	**116,514**	**310,979**	**1,406,975**	**1,306,318**
Net underwriting expenses	**380,719**	**313,644**	**1,140,555**	**166,933**	**38,776**	**208,249**	**539,657**	**2,788,987**	**2,272,140**
Underwriting profit / (loss)	**577,239**	**237,107**	**(654,690)**	**65,531**	**(21,811)**	**(6,525)**	**86,926**	**283,821**	**425,080**

Other National Disclosures
Financial Summary
(All amounts are in thousands of naira)

Group
STATEMENT OF FINANCIAL POSITION

	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Assets					
Cash and cash equivalents	2,127,612	1,911,340	1,963,760	1,283,788	643,475
Fair Value through other comprehensive income	335,871	345,179	352,667	301,767	344,247
Available-for-sale securities	-	-	-	-	-
Amortized Cost	6,981,668	7,131,057	7,378,442	5,892,393	6,263,106
Trade receivables	43,397	20,196	39,189	14,508	8,398
Reinsurance assets	1,818,706	1,983,448	1,933,094	3,208,958	2,270,661
Deferred acquisition cost	231,502	185,255	108,311	115,077	90,321
Other receivables and prepayment	80,802	67,178	35,286	77,149	28,083
Investments in finance lease	71,043	38,097	25,158	4,468	1,712
Investment in Associates	82,300	76,922	109,404	90,082	86,900
Investment in subsidiary	-	-	-	-	-
Investment property	493,000	493,000	391,000	370,000	370,000
Intangible assets	70,455	24,642	32,213	34,071	4,172
Property and equipment	7,568,767	7,049,819	6,037,175	5,824,450	5,564,349
Statutory deposits	315,000	315,000	315,000	315,000	315,000
Total assets	**20,220,123**	**19,641,133**	**18,720,699**	**17,531,711**	**15,990,424**
Liabilities					
Insurance contract liabilities	3,499,821	3,200,972	3,152,366	4,288,860	3,451,379
Trade payables	501,733	556,233	678,493	757,428	316,081
Accruals and other payables	162,822	186,543	143,502	149,160	250,444
Deposit for shares	-	-	-	18,601	-
Current income tax liabilities	45,620	23,367	45,131	32,880	342,365
Deferred tax liability	268,179	446,242	331,891	302,299	250,043
Total liabilities	**4,478,175**	**4,413,357**	**4,351,383**	**5,549,228**	**4,610,312**
Equity					
Issued and paid share capital	5,002,015	5,002,015	5,002,015	3,300,000	3,300,000
Share premium	872,369	872,369	872,369	-	-
Contingency reserve	2,904,408	2,743,680	2,590,527	2,442,093	2,281,823
Retained earnings	902,879	1,117,588	1,109,337	1,679,418	1,437,340
Asset revaluation reserve	6,150,797	5,573,336	4,868,792	4,685,596	4,437,060
Fair value reserve	(90,520)	(81,212)	(73,724)	(124,624)	(76,111)
Shareholders' funds	**15,741,948**	**15,227,776**	**14,369,316 -**	**11,982,483**	**11,380,112**
Total Liabilities and Equity	**20,220,123**	**19,641,133**	**18,720,699 -**	**17,531,711**	**15,990,424**

Other National Disclosures
Financial Summary
(All amounts are in thousands of naira)

Company
STATEMENT OF FINANCIAL POSITION

	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Assets					
Cash and cash equivalents	2,127,293	1,911,019	1,963,439	1,283,241	642,694
Fair Value through other comprehensive income	- -	-	352,667	301,767	344,247
Available-for-sale securities	335,871	345,179	-	-	-
Amortized Cost	6,981,668	7,131,057	7,378,442	5,892,393	6,263,106
Trade receivables	43,397	20,196	39,189	14,508	8,398
Reinsurance assets	1,818,706	1,983,448	1,933,094	3,208,958	2,270,661
Deferred Acquisition Cost	231,502	185,255	108,311	115,077	90,321
Other receivables and prepayment	73,625	67,178	35,286	71,253	33,725
Investments in finance lease	71,043	38,097	25,158	4,468	1,712
Investment in Associates	82,300	76,922	109,404	90,082	86,900.00
Investment in subsidiary	1,000	1,000	1,000	1,000	1,000
Investment property	493,000	493,000	391,000	370,000	370,000
Intangible assets	70,455	24,642	32,213	34,071	4,172
Property and equipment	7,568,767	7,049,819	6,037,175	5,824,450	5,564,349
Statutory deposits	315,000	315,000	315,000	315,000	315,000
Total assets	**20,213,627**	**19,641,812**	**18,721,378 -**	**17,526,268**	**15,996,285**
Liabilities					
Insurance contract liabilities	3,499,821	3,200,972	3,152,366	4,288,860	3,451,379
Trade payables	501,733	556,233	678,493	757,428	316,081
Accruals and other payables	207,050	241,977	197,515	196,893	311,520
Deposit for shares	-	-	-	18,601	-
Current income tax liabilities	42,170	19,917	41,681	28,494	338,943
Deferred tax liability	268,179	446,242	331,891	302,299	250,043
Total liabilities	**4,518,952**	**4,465,341**	**4,401,946**	**5,592,575**	**4,667,966**
Equity					
Issued and paid share capital	5,002,015	5,002,015	5,002,015	3,300,000	3,300,000
Share premium	872,369	872,369	872,369	-	-
Contingency reserve	2,904,408	2,743,680	2,590,527	2,442,093	2,281,823
Retained earnings	855,605	1,066,283	1,059,453	1,630,628	1,385,547
Asset revaluation reserve	6,150,797	5,573,336	4,868,792	4,685,596	4,437,060
Fair value reserve	(90,520)	(81,212)	(73,724)	(124,624)	(76,111)
Shareholders' funds	**15,694,674**	**15,176,471**	**14,319,432**	**11,933,693**	**11,328,319**
Total Liabilities and Equity	**20,213,627**	**19,641,812**	**18,721,378**	**17,526,268**	**15,996,285**

Other National Disclosures
Financial Summary
(All amounts are in thousands of naira)

Group
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Gross premium written	5,357,608	5,105,109	3,985,259	3,534,015	3,168,877
Premium earned	5,272,425	4,600,232	4,125,725	3,544,485	2,968,813
	-	-	-		
Profit before taxation	88,478	327,652	733,763	846,105	808,385
Taxation	7,602	57,845	9,503	(47,757)	(46,216)
Profit after taxation	96,080	385,497	743,266	798,348	762,169
Other comprehensive income	568,153	697,056	234,096	200,024	3,013,378
Total comprehensive income	664,233	1,082,553	977,362	998,372	3,775,547
Transfer to contingency reserves	160,728	153,153	148,434	160,270	151,469
Earnings per share - Basic	2	8	19	24	23

Company
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Gross premium written	5,357,608	5,105,109	3,985,259	3,534,015	3,168,877
Premium earned	5,272,425	4,600,232	4,125,725	3,544,485	2,968,813
Profit before taxation	92,509	326,231	732,642	848,144	802,149
Taxation	7,602	57,845	9,530	(46,793)	(44,803)
Profit after taxation	100,111	384,076	742,172	801,351	757,346
Other comprehensive income	568,153	697,056	234,096	200,024	3,013,378
Total comprehensive income	668,264	1,081,132	976,268	1,001,375	3,770,724
Transfer to contingency reserves	160,728	153,153	148,434	160,270	151,469
Earnings per share - Basic	2.0	8.3	19.3	24.3	22.9