VERITAS KAPITAL ASSURANCE PLC

ANNUAL REPORT, CONSOLIDATED AND SEPARATE FINANCIAL
31 DECEMBER 2022

Report and Audited Financial Statements for the year ended December 31, 2022

CORPORATE INFORMATION

Membership of the Board of Directors during the period ended 31 December, 2022.

1	Mr. Nahim Abe Ibraheem	Non-Executive Director	Chairman
2	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
3	Mr. Aminu Babangida	Non-Executive Director	
4	Hajia Yabawa Lawan Wabi (mni)	Non-Executive Director	
5	Mrs. Priya Heal	Non-Executive Director	
6	Mr. Emmanuel Etuh	Non-Executive Director	
7	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	
8	Mr. Kenneth Egbaran	Managing Director/CEO	
9	Mrs. Oyindamola Unuigbe	Executive Director, Operations	
10	Mr. Paul Oki	Independent Non-Executive Director	

COMPANY SECRETARY
Ms. Saratu Umar Garba
FRC/2019/NBA/00000019159

REGISTERED OFFICE
Plot 497, Abogo Largema Street,
Off Constitution Avenue,
Central Business District
Abuja.

www.veritaskapital.com
RC 11785

FRC REGISTRATION NO:
FRC/2013/0000000000717

BANKERS
Unity Bank Plc
Guaranty Trust Bank Plc.
First Bank Limited
Fidelity Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Access Bank Plc

REGULATORY AUTHORITY
National Insurance Commission

RE-INSURERS
African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited
Meridian Risk Solutions Ltd, London
Score Re.
CICA Re.

ACTUARIES
O & A Hedge Actuarial Consulting
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre
(Opposite 7UP Bottling Plant)
1 Motorways Avenue
Alausa Ikeja – Lagos, Nigeria

REGISTRARS
Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITORS
Deloitte & Touche
(Chartered Accountants)
Civic Center Towers
Ozumba Mbadiwe Avenue,
Victoria Island, Lagos.

Tax Consultants
Shields Professional Services
FCT Abuja

MISSION
To help our Stakeholders have peace of mind

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

PRINCIPLES

Integrity
We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

Performance
We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability, development and measuring, reward and recognizing success.

Responsibility
We will act responsibly as individuals and as a Company. This applies to the management of our business, our approach to corporate interaction with key external stakeholders.

Values
- Working in teams
-Servicing our customers
-Respecting each other
-Being proactive
-Growing our people
-Delivering to our Shareholders
-Guarding against arrogance
-Upholding the highest levels of integrity

OUR COMMITMENTS

Customers
A satisfied and loyal customer base is core to our business.
We are committed to:

- Delivering the consistent and reliable levels of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to our customers.
- Handling complaints fairly and promptly.
- Respecting our customers' rights to privacy and confidentiality.
- Protecting our customers and our business from fraud.

Business Partners
We demand high standards from the companies we work with and believe that they should expect the same from us.
We are committed to:

- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regards to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting our customers and our business from fraud.

Employees
Motivated and skilled employees are critical to our success.
We are committed to:

- Fostering a positive and challenging high performance culture.
- Rewarding superior performance.
- Encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and strong leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return we expect our employees to:

- Act with integrity.
- Take responsibility and accountability for their own actions.
- Show support and commitment for change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding for and meet external and internal customers needs.
- Show a relentless desire for success.
- Create positive and effective working relationships.

Regulators
We have an open, cooperative and transparent relationship with our regulators.

We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner.
- Managing our business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment
We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities.

We are committed to:

- As a business, we have a responsibility to manage our impact on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.

- We also have a responsibility to take proactive action on environmental issues that are likely to affect our business and community at large.

- In each of these areas, we will look to make continuous improvement and actively monitor our performance.

Shareholders

We are committed to fulfilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance, focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Aiding Shareholder's understanding through the disclosure of relevant financial and non-financial information.
- Listening to the views of our shareholders.
- Managing our business with appropriate standards of risk and control.
- Ensuring due care in the selection of our third-party advisers, including our auditors.
- Preventing and reporting any market abuse.
- Acting with due sense of responsibility on confidence entrusted to us.

CERTIFICATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2022, the company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

COMPANY SECRETARY

Ms.Saratu Umar Garba
FRC/2019/NBA/00000019159
Abuja, Nigeria
March, 2023

Management Discussion and Analysis

The Insurance Industry

From an economic standpoint, 2022 was considered a 'black-letter year' for the Nigerian State. With various headwinds battering the economy inclusive but not limited to a surge in inflation pegged at 21.1% YoY in October 2022 - which according to the World Bank pushed as many as five million Nigerians into poverty since the start of 2022; and contractions in economic growth attributed to diminishing oil output as well as moderate non-oil activity which negatively impacted underwriting costs, operating expenses as well as profitability indices.

Despite these headwinds, the Nigerian insurance industry continued to prove resilient. According to Agusto & Co; the industry maintained its double-digit growth trend and crossed the ₦700Bn mark in full year 2022 compared to ₦616.6Bn realised in 2021 – a growth of 13.6%. Industry watchers postulate that the premium uptake was as a result of a 'technological re-tooling' wherein forward-thinking insurers consolidated on the migration of their operations from manual to the digital landscape following the rude-awakening of the Covid-19 pandemic of 2020; which in turn has enhanced public perception(s) and acceptance.

A notable highlight for the industry in 2022 was the increase in third-party and comprehensive motor insurance policy rates by the National Insurance Commission (NAICOM), on 22 December 2022, of which industry analysts are optimistic will further generate more revenues for the industry in the mid to long terms.

Business Overview

As a result of the strain on operations attributable to the adverse economic environment in the year under review, the Company recorded a 28% contraction in Gross Premium Written (GPW) to ₦4.37Bn compared to ₦6.055Bn in 2021, while Net Premium Income grew by a marginal 1% to ₦2.699Bn in 2022 compared to ₦2.675Bn in 2021.

Profit before Tax (PBT) grew to ₦218,94Mn in 2022 from ₦36.31Mn in 2021; a growth of 503%. Decline was posted in terms of Profit after Tax (PAT) from ₦331.24Mn in the prior year to ₦191.32Mn in 2022. On the flip side, shareholders' equity grew organically by 3% from ₦9.320Bn to ₦9.646Bn in 2022 as total assets declined by 4% from₦14.551Bn in 2021 to ₦13.980Bn in 2022.

Outlook

As a Company, Veritas Kapital Assurance Plc remains stoic and confident in its commitment to provide reasonable value to its shareholders. The Company has revised its corporate strategy viz-a-viz doubling down on its fundamentals, strengthening its relationships and partnerships with industry stakeholders and decision makers;
while remaining focused on our aspiration to be the insurer of choice in the Nigerian insurance market.

As always, we remain especially grateful to you, our shareholders, for your continued patience, commitment and support of the company.

Mr. Kenneth Egbaran
Managing Director/CEO
FRC/2015/CIIN/00000011953

ENTERPRISE RISK MANAGEMENT

Veritas Kapital Assurance Plc has a robust and dynamic enterprise risk management framework fashioned along with the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Proper risk management remains essential to the business activities of the company. The framework upholds a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

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

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

- i Uphold the Company's integrity and value system;
- ii Support compliance to regulatory requirements;
- iii Aid the understanding of the potential upside and downside of key risks;
- iv Increase probability of success and reduce the uncertainty of achieving the organization’s overall objectives;
- v Add sustainable value to all the activities of the organization;
- vi Assure business growth with financial stability
- vii Support the culture that “managing risk is everybody's responsibilities”

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

Our Risk Culture

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

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

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

1st line of defence: Management

The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Committee. It also comprises the process or the risk owners who execute the controls to enhance the probability that the organization's objectives will be achieved.

2nd line of defence: Risk oversight

This comprises the Risk Management Committees and the Risk Manager of the Company.

The Management evaluates the risks inherent within the business and ensures that they are appropriately captured within the business Risk Profile. The Risk Manager ensures an understanding of Risk Management process throughout the organization in order to embed, improve continuously a risk awareness culture, work with business management to review and update the Risk and control register.

The Risk Manager is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Risk Manager includes communicating the Company's risk profile to the Board and Management Committee as well as communicating the decisions of the Board and Risk Management Committee to other staff of the Company.

3rd line of defence: Independent assurance

It comprises the audit and internal control and the external auditors' function that provide independent and objective assurance of the effectiveness and adequacy of risk management control and governance processes.

Risk Appetite

The Company strives to drive its business initiatives without loss of value or unmitigated exposures to inherent risks. In order to improve the value of shareholders' wealth and remain profitable, the Company designed its appetite considering risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The Company's Risk Appetite objectives include:

i) Consistently strive to minimize overall cost of risk exposure and its management through effective risk mitigation practices.
ii) Optimization of capital employed through enhanced returns on equity
iii) Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is equal to the marginal cost of the risk.
iv) Zero appetite to internal fraud activities.

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

Risk Classification

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

Market Risk/Investment Risk

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

Credit Risk

This is the risk that counterparty will default on payment or fail to perform an obligation to the Company. The Company has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming of credit notes by Insurance Brokers in accordance with “No Premium No Cover” NAICOM Policy.

Our placements in banks is also determined by the rating (strength) of the bank and considers NAICOM guideline on limit of exposure to a single bank.

Operational Risk

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

Liquidity Risk

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

Reinsurance Risk

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

Underwriting Risk

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

Business Risk

The Company's business risk is associated with gaining market shares and remaining profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand.

Reputational Risk

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

Legal/Compliance Risk Management

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

a) Know -your-customer (KYC) procedure
b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
c) Anti-bribery and corruption measures
d) Guidelines for adherence to Corporate Governance principles
e) Gift policies
f) Whistle blowing policies

Risk Report

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

Risk Control Self-assessment (RCSA)

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

Health Safety and Environment (HSE) Management

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

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies. We aim to improve on gaps identified during any testing period.

RISK MANAGEMENT DECLARATION

The Board Enterprise Risk Management Committee of Veritas Kapital Assurance plc hereby declares as follows:

a) The company has systems in place for the purpose of ensuring compliance with NAICOM guidelines;

b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the company;

c) The company has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

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

Kenneth Egbaran
Managing Director/ CEO
FRC/2015/CIIN/00000011953

TO THE MEMBERS OF VERITAS KAPITAL ASSURANCE PLC

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

In our opinion, the plan and scope of the audit for the year ended 31 December, 2022 were adequate.

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

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

Mr. Paul Oki
FRC/2023/PRO/NBA/010/719585
Chairman, Audit Committee

Mr. Paul Oki	Non-Executive Independent Director	Chairman
Hajia Yabawa Lawan Wabi *mni*	Non-Executive Director	Member
Mal. Muhammad B. Alhassan	Shareholders' Representative	Member
Alh. Usman Abaji	Shareholders' Representative	Member
Mr. Olusegun J. Akintunde	Shareholders' Representative	Member

Director's Report

The Directors have the pleasure in presenting their report on the affairs of the Veritas Kapital Assurance Plc together with the audited consolidated financial statements and auditors' report for the year ended 31 December, 2022.

1 Legal Form

The company was incorporated in Nigeria under the Companies and Allied Matters Act, Cap C20, Laws of the Federation, of Nigeria (LFN) 2020 as private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005, it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name of the company was changed to Unity Kapital Assurance Plc and subsequently Veritas Kapital Assurance Plc. The company became quoted on the Nigerian Exchange (NGX) on 17th December 2009. Veritas Kapital Assurance Plc, as at the reporting date, has two subsidiaries namely Veritas Glanvills Pensions Limited (70%) and Veritas HealthCare Limited (94%) in addition to a 51.53% stake in Goldlink Insurance Plc.

2 Principal Activities and Business Review

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

3 Operating results

The Group earned a Gross premium of NGN4.670 billion in 2022 and NGN6.318 billion in 2021. Profit after tax was NGN693 million in 2022 as against a profit of NGN570 million in 2021. Highlights of the operating results for the year under review are as follows:

CONSOLIDATED RESULT AT A GLANCE				
Figure in thousands of naira	**2022**	**2021**	**Changes**	
Gross Premium	₦4,670,162	₦6,318,949	-₦1,648,787	-26%
Net Premium	₦2,999,693	₦2,938,824	₦60,869	2%
Net Claim incurred	-₦893,707	-₦1,301,147	₦407,440	-31%
Underwriting Profit	₦1,451,672	₦1,282,447	₦169,225	13%
Management Expenses	-₦3,363,349	-₦2,707,324	-₦656,025	24%
Profit before Taxation	₦763,517	₦344,414	₦419,103	122%
Taxation	-₦70,240	₦225,949	-₦296,189	-131%
Profit after taxation	**₦693,277**	**₦570,363**	**₦122,914**	**22%**

4 Directors and their interest

The direct and indirect interests of the Directors in the issued share capital of the company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for section 303 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Exchange Limited as at 31 December, 2022 are as follows:

Names	**Direct Shareholding**	**Indirect shareholding**	**%**	**Interest represented**
Sen. Maj. Gen Mohammed Magoro (RTD)	105,952,347	-	0.76	
Mr. Thomas Etuh	112,280,700	7,321,989,662	52.80	Veritas Capital Management
Mr. Thomas Etuh		219,801,879	1.59	Tak Asset Management Limited

5 Directors' Remuneration

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

In compliance with Section 34(5) of the Nigerian Code of Corporate Governance (NCCG), the Company discloses the remuneration paid to its directors as follows:

Type of package fixed	Description	Timing
Basic Salary	· Part of the gross salary package for Executive Directors only. · It reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
13th-month salary	· Part of the gross salary package for Executive Directors only. · It reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid last month of the financial year.
Director fees	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.
Sitting allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.
Reimbursable travel and hotel expenses.	This is paid to Non-Executive Directors residing outside the venue for Board/Committee meetings.	Paid after each meeting.

6 Changes on the Board

The following changes were made on the Board of the Company in the financial year ended December 31, 2021.

NAMES	POSITION HELD	STATUS
Mr. Emmanuel Etuh	Non-Executive Director	Appointed January 27th 2022
Mrs. Oyindamola Unuigbe	Executive Director Operations	Deceased October 18 2022

7 Directors Interest in Contracts

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

8 Acquisition of Own Shares

The company did not acquire any of its shares during the year ended 31 December, 2022.

9 Property, Plant and Equipment

Information relating to changes in Property, Plant and Equipment is given in note 14. The Directors are of the opinion that the market value of the Company's assets is not lower than the value shown in the financial statements.

10 Security Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in issuers' Share, Rulebook of the Exchange, 2015 (Issuers' Rule), the Company set up a Security Trading Policy that applies to all Employees and Directors. Policy processes include the need to enforce confidentiality against external advisers.

11 Complaints Management Policy

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

To achieve this, while identifying with the aspirations of the community and the environment within which the Company operates, and what the pandemic has thrown at the world, our attention is drawn towards supporting the fight against the COVID-19 pandemic.

12 Corporate Social Responsibility

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

13 Complaints Management Policy

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

A copy of the Complaints Management Policy can found on the Company's Website: **www.veritaskapital.com**

14 Agent and Brokers

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

15 Human Resources

Staff Gender Analysis

The number of males and females employed as at December 31, 2022 vis-a-vis total workforce is as follows:

	MALE	FEMALE	TOTAL
EMPLOYEES	51 (Fifty-One)	35 (Thirty-Five)	86 (Eighty-Six)

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

i. Training and Development

It is our policy to equip all employees with the skills and knowledge required for successful performance of their jobs. This entails identifying the training needs of our employees and prioritizing implementation of plans to address such needs consistent with the requirements of the business today and in the future. In line with this, in the year under review, the Learning and Development interventions focused on both Functional and Leadership skills of Employees and Directors.

ii. Dissemination of Information

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

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

iii. Employment of Physically Challenged Persons

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

iv. Employment Equity, Gender, Policies & Practices

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

v. Staff Diversity, Employee, Development & Training Initiatives

In the year under review, we had a staff strength of 86 (51 Males and 35 Females).

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

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

vi. Health and Safety

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

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

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

16 Share Capital Information

a. Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26925903	0.19	13,462,952
500001-1000000	51	32412215	0.23	16,206,108
1000001-5000000	236	1695097208	12.22	847,548,604
50000001-10000000	15	1083097208	7.82	541,984,337
100000001-500000000	14	2229532677	16.08	1,114,766,339
500000001-1000000000	1	535758596	3.86	267,879,298
1000000001-50000000000	2	8262971394	59.59	4,131,485,697

b. Substantial Interest in Shares

Shareholders, who held more than 5% of the issues share capital of the company as at 31st December, 2022 were as follows:

	Share units	%
Dr. Emmanuel I.U Ojei	1,287,628,018	9.29
Veritas Capital Management	7,321,989,662	52.8

Director's Report (contd.)

c. Share Capital History

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

Director's Report (contd.)

14 Unclaimed Dividends Account

These are maintained in a fixed deposit account with Unity Bank Plc. The amount is jointly managed by both Veritas Kapital Assurance Plc and Unity Registrars Limited. The total amount in the account as at December 31, 2022 was N15,046,462.14 (Fifteen Million, Forty-Six Thousand, Four Hundred and Sixty-two Naira, Fourteen Kobo).

15 Audit and Compliance Committee

In accordance with section 404(3) of the Company and Allied Matters Act, 2020, the Audit Committee members of the company appointed and re-elected at the last Annual General Meeting were as follows:

Mr. Paul Oki	Non-Executive Independent Director	Chairman
Hajia Yabawa Lawan Wabi *mni*	Non-Executive Director	Member
Mr. Olusegun J. Akintunde	Shareholders' representative	Member
Mal. Usman Abaji	Shareholders' representative	Member
Muhammad B. Alhassan	Shareholders' representative	Member

16 Post Balance Sheet Events

There are no significant post balance events which have not been provided for in these financial

17 Auditors

The Auditor, Messer Deloitte & Touche (Chartered Accountants), have indicated their willingness to continue in the office in accordance with section 401 (2) of the Companies and Allied Matters Act, 2020.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their renumeration.

BY THE ORDER OF THE BOARD

Ms. Saratu Umar Garba
COMPANY SECRETARY / LEGAL ADVISER
FRC/2019/NBA/00000019159

STATEMENT OF CORPORATE RESPONSIBILITY FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In compliance with section 405 of Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited Consolidated and Separate financial statements of the Group for the year ended 31 December 2022 and based on our knowledge confirm as follows:

1. 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;

2. The audited Consolidated and Separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2022;

3. The Group's internal controls have been designed to ensure that all material information relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the audit;

4. The Group's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2022;

5. That we have disclosed to the Auditors and the Audit committee the following information:

(a). There are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Group's ability to record, process, summarize and report financial data, and have discussed with auditors any weaknesses in internal controls observed in the cause of the Audit.

(b). There is no fraud involving management or other employees which could have any significant role in the Group's internal control.

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

Signed:

Kenneth Egbaran
Managing Director
FRC/2015/CIIN/00000011953
28 March 2023

Mojeed Somorin
Chief Financial Officer
FRC/2017/ICAN/00000016849
28 March 2023

Statement of Directors' responsibilities on consolidated and separate financial statements

The Directors of Veritas Kapital Plc. accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

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

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

Going Concern:

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

Certification of financial statements

In accordance with section 405 of the Companies and Allied Act the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge the:

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

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

(b) We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the bank and its subsidiaries is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,

(ii) has evaluated the effectiveness of the group’s internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that the group’s internal controls are effective as of that date;

(c) We have disclosed

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company’s ability to record, process, summarise and report financial data, and has identified for the company’s auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the group’s internal control; and

(d) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Group for the year ended 31 December 2022 were approved by the directors on 28 March 2023.

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

Kenneth Egbaran
Managing Director
FRC/2015/CIIN/00000011953

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Veritas Kapital Assurance Plc

Report on the Audit of the Consolidated and Separate financial statements

Opinion

We have audited the accompanying consolidated and separate financial statements of **Veritas Kapital Assurance Plc** (the company) and its subsidiaries (together the group) set out on pages 27 to 125, which comprise the consolidated and separate statement of financial position as at 31 December 2022, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, consolidated and separate statement of cash flow for the year then ended, and the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the Consolidated and Separate financial position of **Veritas Kapital Assurance Plc** as at 31 December, 2022 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020, Pension Reform Act, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

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 the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audit of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate financial statements in Nigeria.

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 financial statements of the current year. 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.

Key Audit Matter	
Valuation of Insurance Contracts Loss Reserve	**How the matter was addressed in the audit**
Under IFRS 4, the Company is required to perform liability adequacy test on its insurance contract liabilities to ensure the carrying value of the liabilities are adequate.	Our procedures included the following among others:
As disclosed in notes 16 to the financial statements, the insurance contract liabilities for the Company amounted to N3.27 billion. This represents about 68% of the Group total liabilities as at 31 December 2022.	We assessed and tested the design and operating effectiveness of selected key controls over actuarial methodology, integrity of data used in the actuarial valuation, and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves.

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Key Audit Matter	
Valuation of Insurance Contracts Loss Reserve	**How the matter was addressed in the audit**
Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses as at 31 December 2022. This involves exercise of significant judgement and use of key inputs and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary	In relation to the particular matters set out above, our substantive testing procedures included the following: • Tested the completeness and accuracy of underlying claims data utilized by the company's actuaries in estimating general insurance loss reserves. • Utilized information technology audit techniques to analyse claims through claims data plausibility checks and recalculation of claims development patterns. • Involved Deloitte's actuarial specialists to independently test management's general insurance loss reserve studies and evaluate the reasonableness of the methodology and assumptions used against recognized actuarial practices and industry standards. • Performed independent re-projections on selected product lines, particularly focusing on the largest and most uncertain general insurance reserves. For these product lines our actuarial specialists compared their re-projected reserves to those recorded by the company, and sought to understand any significant differences. • Performed sensitivity testing and evaluated the appropriateness of any significant adjustments made to management's general insurance reserve estimates. Based on the work performed we concluded the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

Key Audit Matter	
Valuation of Goodwill	**How the matter was addressed in the audit**
Goodwill carrying value was N316 million on the group's statement of financial position as at 31 December 2022. This asset has been recognized in the consolidated statement of financial position. In line with the requirements of the applicable accounting standard, IAS 36, Impairment of Assets, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 13, there are a number of key sensitive judgements adopted by management in determining the inputs into these models which include: - Revenue growth - Operating margins - Exchange rate fluctuations and	We focused our testing of the impairment of goodwill on the key assumptions made by management. Our audit procedures included the following: • We tested all relevant controls over the generation of the key inputs, e.g. financial forecasts, discount rate, revenue growth rate, etc. that go into the valuation calculation. • Engaging our internal specialists to assist with: – Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36, Impairment of Assets. – Validating the assumptions used to calculate the discount rates, projected cash flows and recalculating these rates. • Analyzing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit. • Subjecting the key assumptions to sensitivity analyses. • Comparing the projected cash flows, including the assumptions

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- The discount rates applied to the projected future cash flows.

Accordingly, the impairment test of this asset is considered to be a key audit matter.

The Management have developed a valuation model to enable a fair determination of the discounted cash flows for the significant Cash Generating Units (CGUs) to which the goodwill relates.

relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections.

- Checking mathematical accuracy of the calculations

We found that the assumptions used by management were comparable with historical performance and the expected future outlook and the discount rates used were appropriate in the circumstances. We consider the disclosure of the goodwill to be relevant and useful.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the "Veritas Kapital Insurance Plc Annual Report and Financial Statements", the Corporate Governance Report, Management Discussion and Analysis, Enterprise Risk Management Report and Directors' Report, Corporate Responsibility for the Financial Statements, and other national disclosures – Value added statement and Five year financial summary; which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Pension Reform Act, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating 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 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 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 Group and Company's 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 and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee and/or the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the Fifth Schedule of the Companies and Allied Matters Act 2020 and Section 28 (2) of the Insurance Act I17 LFN 2004, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group and Company has kept proper books of account, so far as appears from our examination of those books.

iii) The Group's and Company's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

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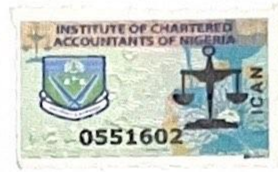
Contraventions

The Group contravened certain sections of the Insurance Act; NAICOM circulars and guidelines. The particulars thereof and penalties paid are as disclosed in Note 41 to the financial statements.

No other indication of non-compliance with laws and regulations was brought to our attention during the audit.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March, 2023

Engagement partner: Michael Osinloye
FRC/2013/ICAN/00000000819

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the group") was initially incorporated under the name of Kapital Insurance group Limited as a private limited liability group on the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public limited liability group. Its shares are quoted onthe Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

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

1.2 Principal Activities

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

The subsidiaries activities are:
Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.

Veritas Health Care Limited, provision of health insurance.

1.3 Components of Financial Statements

The Consolidated Financial statements comprise the Statements of Comprehensive income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompaning Notes.

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

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

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

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

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- investment property at fair value
- investment at fair value
- impaired assets at their recoverable amounts

1.5 Compliance with IFRS

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

1.6 Going Concern status

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

1.7 Significant judgements and key sources of estimation uncertainty

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

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

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

- **Claims arising from insurance contracts**
  Liabilities for unpaid claims are estimated on a case-by-case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate.

- **Deferred acquisition costs (DAC)**
  Commissions that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset under Deferred Acquisition Costs (DAC). The amount of commission to be deferred is directly proportional to the time apportionment basis of the underlying premium income to which the acquisition cost is directly related.

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

- **Property, Plant and equipment**

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

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

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

Deferred Tax Assets

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

1.8 Functional and presentation currency

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

1.9 Changes in accounting policy and disclosures

New and amended standards and interpretations

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to IFRS 3 Reference to the Conceptual Framework	The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use	The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e.,proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	The group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards. IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements. IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

1.10 Summary of significant accounting policies

1.10.1 Introduction to summary of accounting policies

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

(a) New and revised IFRS Accounting Standards in issue but not yet effective

The following new and amended standards have been issued but are yet to become effective as at December 31, 2022.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures -Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent	The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies	The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'Significant accounting policies' with 'material accounting policy information'. 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 supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • 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 The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: – Right-of-use assets and lease liabilities – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re- insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. At its March 2020 meeting, the IASB tentatively decided to defer the effective date of IFRS 17 by two years, such that entities would apply the amended Standard for annual periods beginning on or after January 1, 2023. The IASB also tentatively decided on a consequential amendment to IFRS 4 Insurance Contracts to defer the fixed expiry date for the temporary exemption from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short- duration which typically applies to non-life insurance contracts. The main features of the new accounting model for insurance contracts are, as follows:

• Identification of contracts in scope of IFRS 17

The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participatory features (DPF).

The Group has assessed whether its portfolio of insurance contracts needs to be treated as a single contract and if there exist any embedded derivatives investment components and goods and services components, which would have to be separated and accounted for under another standard. For insurance contract and reinsurance contracts held, the Group would be recalibrating all insurance contracts into IFRS 17 Groups as well as assessing the new and future policies at inception to align with the standard's requirements.

• Level of aggregation

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for the purpose of measurement. Groups of contracts written by the Group are determined first by identifying portfolios of contracts comprising contracts subject to similar risk and managed together. Contracts in different product lines or issued by different entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by the year of issue) and each cohort further divided into three groups viz- (a) onerous contracts on initial recognition, (b) contracts that on initial recognition have no significant possibility of becoming onerous subsequently and (c) any remaining contract in the annual cohort.

The Group is applying a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

On initial recognition, all new contracts are either added to existing group of contracts or, forms a new group to which future contracts may be added where it does not qualify for inclusion in already existing groups. Reinsurance contracts held are grouped such that each group comprises a single contract. The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in its portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

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

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts (generally referred as a CSM – Contractual Service Margin) against losses on groups of onerous contracts, which are recognised immediately. 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 contract being recognised sooner.

The Group plans to divide portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

• Contract Boundaries

Under IFRS 17, the measurement of groups of contracts includes all of the future cashflows 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 IFRS 17 requirement.

For Insurance contracts, cashflows 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 (mainly insurance coverage). The substantive obligation to provide services ends when the Group has the practical ability to reassess the risk of the particular policyholder or portfolio that contains the contract and can set a price or levels of benefit that fully reflects those reassessed risks and the pricing of the premiums up to the reassessment date does not take into consideration risks that relate to periods after the reassessment date in the case of a portfolio. On the grounds that Group's portfolio of insurance contracts has annual terms and assessed as guaranteed to be renewable each year while the Group does not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level, the Group accounts for the contracts as annual contracts and cash flows related to future renewals will be within the contract boundary.

Cash flows for reinsurance contracts 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 reinsure ends when the reinsurer has the practical ability to reassess the risk transferred to it and can set a price or level of benefits that fully reflects those reassessed risk or has a substantive right to terminate the coverage.

- Measurement - Overview

The New standard introduces a building block measurement model based on the estimation of present value of future cash flows that are expected to arise as the Group fulfils the contract, an explicit risk adjustment for non -financial risk and a Contractual Service Margin (CSM)- General Model. Contracts are subjected to different requirements depending on whether they are classified as direct participatory contracts or contracts without direct participatory features. Direct participatory contracts are service contracts that are substantially investment related under which the insurer promises an investment return based on underlying terms. Such contracts are measured using the variant of the General model- variable fee model
An optional simplified measurement model called Premium Allocation Approach (PAA) is available for insurance and reinsurance contracts that meet the eligibility criteria. The Group has chosen to apply the PAA to all contracts as a non-life business underwriting Group whose portfolio meets the criteria stated below at inception of her respective insurance and reinsurance contracts.
-The coverage period of each contract in the Group is one year or less.
-The resulting measurement of the asset for remaining coverage is not

materially different from the result of applying the general model.
On initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measure as the premium received on the initial recognition as the group elects to recognise acquisition cashflows as expenses when they are incurred.
Subsequently, the liability for remining coverage is increased by any further premiums received and decreased by 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 not be more than one year and therefore will not adjust the liability for remining coverage to reflect the time value of money and effect of financial risk.

If at any time before or during the coverage period, facts and circumstances indicates that the group of contracts is onerous, the Group will recognise a loss in the statement of profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilling cash flows that relates to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cashflows will be discounted (at current rates) if the liability for insured claims is also discounted.

The Group will recognise the liability for insured claims of a group of contracts at the amount of the fulfilment cash flows relating to insured claims. The fulfilment 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.

Estimates of future cash flows
In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.
The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices. When estimating future cash flows, the Group will take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted
Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.
Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques.
Cash flows attributable to acquisition and other fulfilment activities will be

allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics. The Group will generally allocate insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts in each group.

Discount rates
The Group will generally determine risk-free discount rates using the observed yield curves for bond rated banks (adjusted for the bank's credit risk) or government bond yields will be used. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate will be subject to revision, it is expected to be updated only on significant changes to long-term expectations. To reflect the liquidity characteristics of the contracts, the risk-free yield curves will be adjusted by an illiquidity premium. liquidity premiums will generally be determined by comparing the spreads on corporate bonds with the costs of credit default swaps with matching critical terms for the same issuer.

Under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Group does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

Measurement - Premium Allocation Approach

Alternatives	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS17 general model	Coverage period for the non-life business portion, especially property insurance and liability reinsurance) are one year or less and so qual automatically for PAA. Though policies under Engineer class of business which include ere contractor all risk insurance may have cover period greater than one year. However, their material difference in the measurement of the liability for remaining coverage between PAA general model, therefore, these qualify for PA
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is no longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For one-year property business, insurance acquisition cash flows are expensed as incurred all other business, insurance acquisition cash are allocated to related groups of insurance contracts and amortise coverage period of the related group
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation tothe LFRC, or where the time between providing each part of the services and the related premium due date is no more thana year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For contactor all risk and erection insurance allowance is made for accretion of interes LFRC. For all other business, there is no allowance premiums are received within one year of the coverage period.

Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims within the property product incurred claims are expected to be paid out i than one year. Hence, no adjustment is made time value of money. For all other business, the LFIC is adjusted for time value of money

Transition stage

The Group has formalized its IFRS 17 implementation road map in line with the regulatory guidance as issued by its industry regulator - National Insurance Commission (NAICOM). It has performed gap analysis, financial and operational impact assessment, and is in the process of deploying the required software solution in readiness for full implementation of IFRS 17.

Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, the Group is presently in the process detailed below to arrive at a position as at 1 January 2023:

- Identify, recognise and measure assets for insurance acquisition cash flows as is IFRS 17 has always applied. At transition date, a recoverability assessment will be performed and impairment loss identified and recognised
- Derecognise any existing balances that would not exist had IFRS 17 always applied
- Recognise any resulting net difference in equity

Impact assessment

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for the Group's portfolio of insurance contracts:

Under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Group does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

The New standard also require that the fulfilment cash flows be adjusted for non-financial risk (risk adjustment) to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion which is different from current practice. The risk adjustment will be determined using confidence level technique based on probability distribution of the expected present value of the future cashflows from the contracts at each reporting date and calculate a risk adjustment as an excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. This is expected to have a decreasing impact on equity at transition.

Based on the Group's assessment undertaken to date, the Group estimates that the initial application of IFRS 17 would not have significant impacts on its financial statements given that there were no onerous contracts during the year under review. The actual impact of adopting IFRS 17 on 1 January 2023 and 2022 would be known with certainty in due course as the Group continues in its implementation of the new standard.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.11 Presentation of financial statements

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

2 Summary of Significant Accounting Policies

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

2.1 Foreign currencies

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

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

2.2 Segment reporting

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

An operating segment is a component of an entity:
- That engages in business activities from which it may earn revenues and incur expenses (including revenues
-Whose operating results are regularly reviewed by the entity's chief operating decision maker to make
-For which discrete financial information is available.

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

The Group currently operates a single line of business and entirely within a geographical region.

2.3 Cash and cash equivalents

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

2.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions
All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction costs are expensed in the income statement.

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

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

Measurement and recognition of expected credit losses

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

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

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

Derecognition of financial instruments

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

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

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

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

Offsetting financial instruments

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

Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the Group's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the Group as at31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss

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

Financial instruments included in this category are 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'. Interestincome and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

ii) Amortised Cost

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

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

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it?

iii) Fair Value through other comprehensive income (FVTOCI)

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

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

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a Group always accounts for expected credit losses andchanges 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 Group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instrumentsthat are not measured at FVTPL:

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

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

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

The Group's process to assess changes in credit risk is multi-factor and has three main elements;

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

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).
For other exposures, significant increases in credit risk are made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the Group Groups its exposures on the basis of shared credit risk characteristics.

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

i) Assets carried at amortised cost
The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

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

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

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

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

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

ii) Assets classified as fair value through other comprehensive income

The Group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.
Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.
Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

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

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

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Group's senior management, and is done as a result of external or internal changes which are significant to the Group's operations and demonstrable to external parties.
Reclassification of financial assets occurs when the Group changes its business model for managing financial assets.
Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

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

Measurement
All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded

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

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

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

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

Forward-Looking Information

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

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

2.5 Trade receivables

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

2.6 Reinsurance

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

2.6.1 Reinsurance assets

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

2.6.2 Reinsurance Liabilities

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

2.7 Deferred Policy Acquisition Costs (DAC)

Acquisition cost comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. it is calculated by applying to the acquisition expenses that ratio of unearned premium to written premium.

2.8 Prepayment

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

2.9 Consolidation

2.9.1 Subsidiaries

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

2.9. 1a **Disposal of Subsidiaries**

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

2.9.2 **Investment in Associates**

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

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

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

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

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

2.10 Investment Properties

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

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

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

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

2.11 Intangible Assets

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

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

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

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

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

2.12 Goodwill

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.13 Property, Plant and Equipment

a. Recognition and measurement

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

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

b. Subsequent cost

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

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

c. Depreciation

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

Leasehold land	**0%**	**Over the lease period**
Buildings	2%	2%
Furniture & Fittings	20%	20%
Office Equipment	20%	20%
Computer Equipment	20%	20%
Plant & Equipment	20%	20%
Motor Vehicles	25%	25%

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

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

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

d. Revaluation of land and building.

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

When land and building are revalued, any increase in it 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 of profit or loss. When the value of a land or building is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that land or building. However, to the extent that it exceeds any surplus, it is recognised as an expense in profit or loss. When revalued land and building are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the

e. Derecognition

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

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

2.14 Statutory Deposits

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

2.15 Insurance Contract Liabilities

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

2.15.1 Types of Insurance Contracts

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

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

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

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

2.15.2 **Recognition and measurement of non-life insurance contracts**

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

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

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

b. Salvages

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

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

c. Subrogation

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

d. Deferred Income

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

e. Reinsurance Contracts held

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

f. Technical Reserves

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

* Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

* Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

g. Liability Adequacy Test

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

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

2.16 Trade and other Payables

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

2.17 Retirement Benefit Obligations

Pension Cost

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

2.18 Provisions

General Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

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

2.19.1 Deferred Income Tax

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

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

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

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

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

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

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

2.20 Share Capital and Share Premium

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

2.21 Statutory Contingency Reserve

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

2.22 Retained Earnings

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

2.23 Assets Revaluation Reserve

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

2.24 Income Recognition

2.24.1 Gross Premiums

Gross premiums on insurance contracts are recognized as revenue when payable by the policy-holder.

For single premium business revenue is recognised on the date on which the policy is effect.
Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro-rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.24.2 Reinsurance Premiums

Gross reinsurance premiums on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are deferred over the term of the underlying direct insurance policies for risks attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

2.24.3 Commission income

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income is recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. Fees and commission covering the reporting period are recognized in profit or loss as fees and commission income earned, while the unearned portion of fees and commission income is reported in the statement of financial position as deferred commission income.

2.24.4 Investment Income

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

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

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

2.24.5 **Management and Administrative Fees**

Management Fee

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

Administrative Fee

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

2.24.6 **Realized/Unrealized Gains and Losses**

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

2.25 Claims Expenses Recognition

2.25.1 **Gross Claims Incurred**

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims, handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance. All claims paid and incurred are charged against the underwriting income as expense when incurred. This is shown in the statement of profit or loss before determining underwriting results.

2.25.2 **Reinsurance Claims**

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

2.26 Interest Income

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

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

2.27 Expenses

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

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

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

2.27.1 **Underwriting Expenses**

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These costs are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired.If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an assets or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the company. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs to sell, an appropriate valuation model is used.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previous impairment loss is reversed only if there hasbeen a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. if that is the case the carrying amount of the asset is increased to its recoverable amount.

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

2.29 Earnings Per Share

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

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

2.30 Dividends

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

2.31 Comparatives

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

2.32 Contingent liabilities

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

2.33 Contingent assets

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

Statement of Financial Position
As at 31 December, 2022

	Note	31-Dec-2022 Group N'000	31-Dec-2021 Group N'000	31-Dec-2022 Company N'000	31-Dec-2021 Company N'000
ASSETS					
Cash and cash equivalents	3	4,408,793	5,891,133	2,337,933	3,834,178
Financial assets	4	5,352,799	3,158,089	1,641,740	1,479,840
Trade receivable	5	738,347	119,564	738,347	119,565
Reinsurance assets	6	728,481	1,115,859	728,481	1,115,859
Deferred acquisition cost	7	344,588	286,636	344,588	286,636
Other receivables and prepayments	8	535,433	422,448	197,155	220,975
Investment in subsidiaries	9	-	-	4,026,300	3,624,860
Investment in Associates	10	-	-	-	-
Investment properties	11	45,000	45,000	45,000	45,000
Property, plant and equipment	12	4,556,848	4,729,375	3,495,489	3,377,451
Goodwill	13	316,884	316,884	-	-
Intangible assets - Software	14	68,114	102,297	48,161	69,901
Statutory deposits	15	355,000	355,000	355,000	355,000
Deferred tax asset	21.1	60,854	22,293	21,745	21,745
Total Assets		**17,511,141**	**16,564,578**	**13,979,939**	**14,551,010**
Liabilities:					
Insurance contract liabilities	16	3,277,229	4,152,250	3,261,317	4,146,106
Trade payables	17	548,733	488,190	548,733	488,190
Employees retirement benefit obligations	18	22,187	17,024	-	-
Provision and other payables	19	866,796	996,710	488,845	572,864
Income tax liabilities	20	109,064	86,652	34,807	23,542
Deferred Tax Liabilities	21.2	27,459	20,741	-	-
Total Liabilities		**4,851,468**	**5,761,567**	**4,333,702**	**5,230,702**
EQUITY & LIABILITIES					
Share capital & reserves:					
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600	663,600
Statutory Contingency reserves	24	1,434,593	1,303,505	1,434,593	1,303,505
Retained earnings	25	(777,903)	(1,236,052)	(1,671,493)	(1,731,720)
Other Component of Equity					
Asset revaluation reserve	26a	2,572,254	2,509,957	2,333,468	2,20 ,(12
Fair value reserve	26b	(53,586)	(60,112)	(47,264)	(56,423)
Non Controlling interest(NCI)	38	1,887,382	688,780		-
Total Equity		**12,659,673**	**10,803,011**	**9,646,237**	**9,320,309**
Total Equity & Liabilities		**17,511,141**	**16,564,578**	**13,979,939**	**14,551,010**

These financial statements were approved by the Board on 28th March 2023 and signed on its behalf by:

Mojeed Somorin	**Mr. Nahim Abe Ibraheem**	**Kenneth Egbaran**
Chief Financial Officer	**Chairman**	**Managing Director**
FRC/2017/ICAN/00000016849	**FRC/2020/003/00000020878**	**FRC/2015/CIIN/00000011953**

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

Note: The order of certain lines on the statement of Financial Position was updated to more accurately reflect the order of liquidity. There were no changes to prior year balances resulting from the changes.

**Statement of Profit or Loss and Other
Comprehensive income for the period ended 31 December 2022**

	Note	Group Dec-22 N'000	Group Dec-21 N'000	Company Dec-22 N'000	Company Dec-21 N'000
Gross Premium written		4,670,162	6,318,949	4,369,573	6,055,352
Gross Premium Income	28	5,245,202	5,795,909	4,944,613	5,532,311
Reinsurance Expenses	29	(2,245,509)	(2,857,083)	(2,245,509)	(2,857,084)
Net premium income		2,999,693	2,938,825	2,699,104	2,675,226
Fees and commission income	30	213,684	491,209	213,684	491,209
Net underwriting income		3,213,378	3,430,035	2,912,788	3,166,435
Claim Expenses	31	(893,707)	(1,301,147)	(716,334)	(1,148,239)
Underwriting expenses	32	(867,999)	(846,440)	(867,999)	(846,439)
Underwriting result		1,451,672	1,282,447	1,328,455	1,171,758
			-		
Other Investment income	34	1,724,660	1,208,423	257,754	(74,703)
Interest income calculated using effective interest rate	34	513,347	391,804	148,623	310,475
Fair value changes in financial assets-FVTPL	4a&b	(1,823)	6,459	(1,823)	6,459
Fair value changes in investment property	11	-	-	-	-
Other operating income	35	445,933	199,974	226,359	133,254
Impairment charge on financial assets and other assets	33	(4,795)	(35,528)	1,160	(29,314)
Finance Cost (Interest cost)	18a(i)	(2,128)	(1,841)	-	-
Management expenses	36	(3,363,349)	(2,707,323)	(1,741,586)	(1,481,615)
Profit before tax		**763,517**		**218,942**	**36,314**
Income tax expense	37	(70,240)	**344,414**	(27,627)	294,928
			225,949		
Profit for the year from continuing operations		**693,277**	-	**191,315**	**331,242**
			570,363		
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on FVOCI debt instruments	26b	-	-	-	-
		-	-	-	-
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of property, plant and equipment		125,456	829,994	125,456	398,415
Net actuarial (losses) / gains on retirement benefit obligation	**18a(i)**	(2,815)	533		
Fair value adjustment on equities at FVOCI		9,159	(101,569)	9,159	(101,569)
		131,801	728,958	134,616	296,846
Other Comprehensive Income, net of taxes		131,801	728,958	134,616	296,846
Total Comprehensive Income for the year		**825,078**	**1,299,320**	**325,931**	**628,087**
Profit for the year, attributable to:					
* Non-controlling interests		167,200	65,061	-	-
* Owners of the Parent		526,077	505,302	-	-
		693,277	**570,363**	-	-
Total Comprehensive Income, attributable to:					
* Non-controlling interests		167,017	194,693	-	-
* Owners of the Parent		658,061	1,104,627	-	-
		825,078	**1,299,320**	-	-
Basic Earnings per Share	**27**	0.10	0.05	0.03	0.05

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

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 31 December 2022
Group-2022

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-Controlling Interest N'000	Total N'000
As at 1 January 2022	6,933,333	663,600	2,509,957	(60,112)	1,303,505	(1,236,052)	10,114,232	688,780	10,803,013
Transferred from statement of Profit or loss for the year	-	-	-	-	-	526,077	526,077	167,200	693,277
Other Comprehensive Income:							-		-
Changes in fair value of FVOCI Investments	-	-	-	9,158	-		9,158	-	9,158
Net actuarial gains on retirement benefit obligations	-	-	-	(2,632)			(2,632)	(182)	(2,815)
Revaluation gain on PPE	-	-	125,456	-	-	-	125,456		125,456
On disposal of property			(63,160)			63,160	-		-
Total Comprehensive Income	**-**	**-**	**62,297**	**6,526**	**-**	**589,237**	**658,059**	**167,019**	**825,079**
Transfer to Contingency Reserve	-	-	-	-	131,087	(131,087)	-		-
Recapitalization of VG Pension								1,050,000	1,050,000
Transactions with owners of equity									-
Dividends to equity holders	-	-	-	-	-	-	-	(18,418)	(18,418)
As at 31 December 2022	**6,933,333**	**663,600**	**2,572,254**	**(53,586)**	**1,434,593**	**(777,903)**	**10,772,291**	**1,887,382**	**12,659,673**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-controlling interest N'000	Total N'000
As at 1 January 2021	6,933,333	663,600	1,809,597	40,924	1,121,845	(1,559,693)	9,009,606	494,366	9,503,972
Transferred from statement of Profit or loss for the year	-	-	-	-		505,302	505,302	65,061	570,363
Other Comprehensive Income:							-		-
Changes in fair value of FVOCI Investments	-	-	-	(101,569)	-		(101,569)	-	(101,569)
Net actuarial gains on retirement benefit obligations	-	-	-	533	1,121,845		533	-	533
Gain on revaluation of properties, plant	-	-	700,360	-	-	-	700,360	129,633	829,993
							-		-
Total Comprehensive Income	**-**	**-**	**700,360**	**(101,036)**	**-**	**505,302**	**1,104,626**	**194,693**	**1,299,319**
Transfer to Contingency Reserve	-	-	-	-	181,661	(181,661)	-		-
Transactions with owners of equity									-
Dividends to equity holders	-	-	-	-	-	-	-	(279)	(279)
As at 31 December 2021	**6,933,333**	**663,600**	**2,509,957**	**(60,112)**	**1,303,505**	**(1,236,052)**	**10,114,232**	**688,780**	**10,803,013**

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 31 December 2022
Company

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2022	**6,933,333**	**663,600**	**2,208,012**	**(56,423)**	**1,303,505**	**(1,731,721)**	**9,320,305**
Transferred from statement of Profit or loss for the year	-	-	-	-	-	191,315	191,315
Other Comprehensive Income:	-	-	-		-		-
Changes in fair value of FVOCI instruments	-	-		9,159	-	-	9,159
Revaluation gain on PPE	-	-	125,456	-	-	-	125,456
Total Comprehensive Income	**6,933,333**	**663,600**	**2,333,468**	**(47,264)**	**1,303,505**	**(1,540,406)**	**9,646,236**
Transfer to Contingency Reserve					131,087	(131,087)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at 31 December 2022	**6,933,333**	**663,600**	**2,333,468**	**(47,264)**	**1,434,593**	**(1,671,492)**	**9,646,236**

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	4,172,692	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2021	**6,933,333**	**663,600**	**1,809,597**	**45,146**	**1,121,845**	**(1,881,303)**	**8,692,219**
.							
Transferred from statement of Profit or loss for the year	**-**	**-**	**-**	**-**	-	331,242	331,242
Other Comprehensive Income:	-	-	-		-		-
Changes in fair value of AFS Investments	-	-	398,415	(101,569)	-	-	296,846
Gain on revaluation of properties, plant	-	-		-	-	-	-
Total Comprehensive income	**6,933,333**	**663,600**	**2,208,012**	**(56,423)**	**1,121,845**	**(1,550,061)**	**9,320,306**
Transfer to Contingency Reserve							-
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at 31 December 2021	**6,933,333**	**663,600**	**2,208,012**	**(56,423)**	**1,303,505**	**(1,731,721)**	**9,320,306**

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

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER, 2022

	Notes	31-Dec-22 Group N'000	31-Dec-21 Group N'000	31-Dec-22 Company N'000	31-Dec-21 Company N'000
Cash flows from operating activities:					
Premium received		4,051,379	6,283,064	3,750,790	6,019,467
Commission received	30	213,684	491,209	213,684	491,209
Reinsurance receipts in respect of claims	31(a)	319,376	2,058,387	319,376	2,058,387
Other operating income	34	381,859	199,974	44,181	133,254
Cash paid to and on behalf of employees	36	(1,294,685)	(1,384,669)	(658,841)	(712,088)
Reinsurance premium paid	29	(1,898,855)	(3,004,573)	(1,898,855)	(3,004,573)
Insurance benefits and claims paid	31	(1,492,956)	(2,845,716)	(1,322,925)	(2,694,452)
Commission paid	32	(710,696)	(811,055)	(710,696)	(811,055)
Maintenance expenses	32	(136,523)	(249,217)	(136,523)	(249,217)
Cash paid to intermediaries and other suppliers		(1,797,301)	(928,422)	(902,959)	(510,332)
Company income tax paid	20	(59,287)	(69,774)	(365)	(17,520)
Net cashflow from operating activities		**(2,424,005)**	**(260,793)**	**(1,303,133)**	**703,079**
Cash flow from Investing Activities:					
Purchase of property, Plant and equipment	14	(225,541)	(323,094)	(77,180)	(98,722)
Purchase of intangible assets	13	(1,676)	(81,932)	-	(58,030)
Proceed from sale of property and equipment		149,317	10,353	12,064	10,353
Proceed from disposal of investment property		-	219,449	-	219,449
Dividend income	34	5,556	14,022	50,769	18,034
Interest received	34	1,932,077	1,905,118	319,276	536,651
Purchase of amortised cost investment		(2,142,418)	(2,292,741)	(246,901)	(706,699)
Redemption/repayment on amortised cost investments		189,292	2,459,528	150,000	1,883,018
Purchase of investment property	11	-	-	-	-
Net cash provided by investing activities		**(93,392)**	**1,910,702**	**208,028**	**1,804,055**
Cash flow from Financing Activities:					
Investment in subsidiary		-	-	(401,440)	(2,048,560)
Deposit for shares		1,050,000	(279)		-
Dividend paid		(18,418)	-	-	-
Net cash provided by financing activities		**1,031,582**	**(279)**	**(401,440)**	**(2,048,560)**
Net decrease in cash and cash equivalent		(1,485,816)	1,649,630	(1,4 6,544)	458,574
Cash and cash equivalent at the 1 January		5,900,305	4,250,674	3,8 9,935	3,381,361
Cash and cash equivalent at the 31 December		4,414,489	5,900,305	2,343,391	3,839,935

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

General information

Veritas Kapital Assurance plc ('the company') was initially incorporated under the name of Kapital Insurance Company Limited as a private Limited liability company on the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company. Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off constitution Avenue, Central Business District, Abuja. Nigeria

The principal business of the company is underwriting of non-life insurance risks.
The Company has 93.5% equity interest in Veritas Health Care Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

3 Cash and cash equivalents

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
This comprises of:				
Cash at hand	884	417	593	322
Cash at Bank	429,134	1,234,217	277,815	1,164,085
Short term deposit (Staff gratuity fund assets) *	9,239	9,239	9,239	9,239
Short term deposit (note 3.2)	3,975,233	4,656,432	2,055,745	2,666,289
	4,414,490	5,900,305	2,343,391	3,839,936
Adjustment for ECL on fixed deposit (note 3.1)	(5,696)	(9,172)	(5,458)	(5,758)
Total	**4,408,793**	**5,891,133**	**2,337,933**	**3,834,178**

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

3.1 Movement in Adjustment ECL

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
As at 1 January	9,172	8,188	5,758	5,365
(Write back)/Charge (See note 33)	(3,475)	984	(300)	393
As at 31 December	**5,696**	**9,172**	**5,458**	**5,758**

3.2 Financed by:

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

-	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Financed by Insurance fund	2,055,745	2,666,289	2,055,745	2,666,289
Financed by other funds	1,919,488	1,990,143	-	-
	3,975,233	**4,656,432**	**2,055,745**	**2,666,289**

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
4	**Financial Assets**				
	This comprises of:				
	Fair value through profit or loss (note 4a)	68,090	69,913	68,090	69,913
	Amortised Cost (Note 4b)	5,192,133	3,004,760	1,481,074	1,326,510
	Fair Value through OCI (Note 4c)	92,575	83,416	92,575	83,416
		5,352,799	**3,158,089**	**1,641,740**	**1,479,840**
	Current	43,878	-	-	-
	Non-current	5,308,921	3,158,089	1,641,740	1,479,840
		5,352,799	**3,158,089**	**1,641,740**	**1,479,840**

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

Movement in FVTPL during the period	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Fair value at 1 January	69,913	58,414	69,913	58,414
Addition (see note aiii below)	-	5,040	-	5,040
Fair value (loss)/gain	(1,823)	6,459	(1,823)	6,459
Fair value as at 31 December	**68,090**	**69,913**	**68,090**	**69,913**

a(ii) Historical movement in FVTPL

Cost at initial recognition	152,278	152,278	152,278	152,278
Accumulated fair value losses to date	(84,188)	(82,365)	(84,188)	(82,365)
Fair value as at 31 December	**68,090**	**69,913**	**68,090**	**69,913**

a(iii) These are quoted equities on the Nigerian Stock Exchange held by the entity which was recovered during reconciliation carried out and confirmed by the registrars. The stocks include the following; PZ Cusson, Fidelity Bank Plc, Access Bank Plc, Cadbury Nigeria Plc, Julius Berger Plc, Nestle Nigeria Plc and Union Bank Plc in 2021.

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
b	**Amortised Cost**				
	FGN treasury bills see note (i) below	43,878	185,041	(0)	143,702
	State/FGN government bonds see note (ii) below	4,819,978	2,728,842	1,478,631	1,182,808
	Corporate bond see note (iii) below	303,410	90,877	-	-
		5,167,266	**3,004,759**	**1,478,631**	**1,326,509**
	Balance at 1 January	3,027,184	3,420,436	1,326,510	2,785,906
	Additions	2,142,418	2,292,741	246,901	706,699
	Redemption/Repayment during the year	(189,292)	(2,753,451)	(150,000)	(2,176,941)
	Accrued interest	243,888	87,774	74,711	31,161
	Balance at 31 December	5,224,197	3,047,500	1,498,122	1,346,825
	Expected credit loss	(34,506)	(42,740)	(19,491)	(20,315)
		5,189,691	**3,004,760**	**1,478,631**	**1,326,510**
i	**FGN Treasury Bills**				
	Balance at 1 January	185,041	-	143,702	-
	Additions	1,942	186,268	-	144,526
	Redemption/Repayment during the year	(149,402)	-	(150,000)	-
	Accrued interest	6,298	-	6,298	-
	Balance at 31 December	**43,878**	**186,268**	(0)	**144,526**
	ECL	-	(1,227)	-	(824)
		43,878	**185,041**	**(0)**	**143,702**

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
ii	FGN Bonds and State Bonds				
	Balance at 1 January	2,728,842	1,150,990	1,182,808	608,965
	Additions	1,940,320	2,106,473	246,901	562,173
	Redemption/Repayment during the year	(34,819)	(572,369)		-
	Accrued interest	220,142	82,702	68,413	31,161
	Balance at 31 December	**4,854,484**	**2,767,797**	**1,498,122**	**1,202,299**
	ECL	(34,506)	(38,955)	(19,491)	(19,491)
		4,819,978	**2,728,842**	**1,478,631**	**1,182,808**
iii	Corporate Bonds				
	Balance at 1 January	90,877	2,269,445	-	2,176,941
	Additions	200,156	-	-	-
	Redemption/Repayment during the year	(5,071)	(2,181,082)	-	(2,176,941)
	Accrued interest	17,448	5,071	-	-
	Balance at 31 December	**303,410**	**93,434**	**-**	**-**
	ECL	-	(2,557)	-	-
		303,410	**90,876**	**-**	**-**
iv	**Movement in expected credit losses (ECL) during the year**				
	Balance at 1 January	42,740	43,080	20,315	26,279
	Charge during the year	(8,234)	(340)	(824)	(5,964)
	Balance at 31 December	34,506	42,740	19,491	20,315
c	**Fair value through other comprehensive income**				
	Fair value at 1 January	83,416	184,985	83,416	184,985
	Fair value gain	9,159	(101,569)	9,159	(101,569)
	Balance at 31 December	**92,575**	**83,416**	**92,575**	**83,416**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
5	**Trade receivables**				
a	This comprises of:				
	Premium receivable from insurance brokers	1,228,974	527,343	1,228,974	527,343
	Premium receivable from insurance agents	55,270	55,270	55,270	55,270
	Premium receivable from policy holders	33,158	33,157	33,158	33,157
	Premium receivable from insurance companies	158,930	241,779	158,930	241,779
		1,476,332	857,549	1,476,332	857,549
	Impairment of premium receivables	(737,985)	(737,985)	(737,985)	(737,985)
		738,347	**119,564**	**738,347**	**119,565**
	Age analysis of gross trade receivables are as follows				
b					
	0-30 days	738,347	119,564	738,347	119,564
	Above 30 days	-	-	-	-
		738,347	**119,564**	**738,347**	**119,564**

c Analysis of movement in impairment
Group

	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 31 Dec N'000
Premium receivable from insurance brokers	539,103	(48,457)	-	490,646
Premium receivable from insurance agents	6,728	48,542	-	55,270
Premium receivable from policy holders	55,610	(22,452)	-	33,158
Premium receivable from insurance companies	136,544	22,367	-	158,911
	737,985	(0)	-	737,985

Company

	Balance at 1 January N'000	Adjustment N'000	Provision no longer required N'000	Balance at 31 Dec N'000
Premium receivable from insurance brokers	539,103	(48,457)	-	490,646
Premium receivable from insurance agents	6,728	48,542	-	55,270
Premium receivable from policy holders	55,610	(22,452)	-	33,158
Premium receivable from insurance companies	136,544	22,367	-	158,911
	737,985	(0)	-	737,985

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
6	**Reinsurance assets**				
	This is analysed as follows:				
	Prepaid reinsurance (see note(a) below)	110,110	474,955	110,110	474,955
	Reinsurer' share of outstanding claims (see note(b)below)	618,371	640,904	618,371	640,904
	Reinsurers share of claims paid (see note(c)below)	-	-	-	-
		728,481	**1,115,859**	**728,481**	**1,115,859**
a	Movement in prepaid reinsurance is as follows:				
	Balance 1 January	474,955	646,251	474,955	646,251
	Additions during the year	1,880,665	2,685,787	1,880,665	2,685,787
	Amortized in the year - reinsurance expenses (see note 29)	(2,245,509)	(2,857,084)	(2,245,509)	(2,857,084)
	Balance at 31 December	**110,110**	**474,955**	**110,110**	**474,955**

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
b	Movement in reinsurer' share of outstanding claims				
	Balance at 1 January	640,904	378,628	640,904	378,628
	Movement in Reinsurers/coinsurers' share of outstanding claims reported during the year	(22,533)	262,276	(22,533)	262,276
	Balance at 31 December	**618,371**	**640,904**	**618,371**	**640,904**
c	Movement in reinsurer share of claim paid				
	Balance at 1 January	-	877	-	877
	Movement in reinsurers/co-assurer's share of paid claims during the year	-	(877)		(877)
		-	**-**	**-**	**-**
	Current	728,481	1,115,859	728,481	1,115,859
	Non-Current	-	-	-	-
		728,481	**1,115,859**	**728,481**	**1,115,859**

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
7	**Deferred acquisition cost**				
a	This is analysed as follows:				
	Agric	4,082	86,502	4,082	86,502
	Motor	37,253	23,651	37,253	23,651
	Fire	84,491	66,087	84,491	66,087
	General Accident	20,034	14,478	20,034	14,478
	Marine	6,170	37,028	6,170	37,028
	Aviation	5,213	7,301	5,213	7,301
	Engineering	54,231	16,473	54,231	16,473
	Oil and Gas	133,078	35,116	133,078	35,116
	Bond	37	-	37	-
	Total	**344,588**	**286,635**	**344,588**	**286,636**
	The movement in deferred acquisition cost is as follow:				
	Acquisition Cost brought forward	286,636	119,379	286,636	119,379
	Acquisition Costs during the period (note 32)	789,429	764,476	789,429	764,476
	Total	1,076,065	883,855	1,076,065	883,855
	Amortised during the year (see note 32)	(731,476)	(597,219)	(731,476)	(597,219)
	Acquisition costs carried forward	**344,589**	**286,636**	**344,588**	**286,636**
	Current	344,588	286,636	344,588	286,636
	Non-current	-	-	-	-
		344,588	**286,636**	**344,588**	**286,636**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
8	**Other receivables and prepayments**				
	The balance is analysed as follow:				
	Receivables from staff (see note (a) below)	65,117	101,497	53,638	94,886
	Deposit for investment (See Note (b)below)	28,346	28,346	28,346	28,346
	Commercial papers (See Note (c)below)	217,460	217,460	217,460	217,460
	Prepayment	50,932	33,066	8,731	7,841
	Inventory	5,558	6,430	3,895	6,430
	Receivables from Related parties (see note i below)	62,033	62,032	62,033	111,693
	Fees receivables and other receivables (See Note (d)below)	427,375	308,925	144,442	93,017
	Prepaid recapitalisation expenses (See Note (e)below)	44,650	22,250	44,650	22,250
	Withholding tax receivable (See Note (f)below)	27,926	36,407	27,926	33,017
		929,398	816,414	591,120	614,941
	Impairment of other receivables and prepayment (See Note (g)below)	(393,965)	(393,966)	(393,965)	(393,966)
		535,433	**422,448**	**197,155**	**220,975**
	Current	408,282	310,754	81,484	109,282
	Non-current	127,151	111,693	115,671	111,693
		535,433	**422,448**	**197,155**	**220,975**

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

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	101,497	25,433	94,886	25,433
Addition	35,974	157,746	32,798	140,426
Repayment during the year	(72,354)	(81,682)	(38,204)	(70,973)
	65,117	101,497	53,638	94,886

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

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
c	Commercial papers represent receivables from the following entities				
	a) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
	b) Off-shore Integrated Concession Ltd	39,711	39,711	39,711	39,711
	c) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
		217,460	**217,460**	**217,460**	**217,460**

ci These commercial papers have been impaired by the company as they are in doubt of recovery.

d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end

e This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as prepaid expense pending the conclusion of the process. On completion, this will be applied against the share premium.

f	Withholding tax receivables	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
	At 1 January	33,017	39,937	33,017	35,720
	Additions	10,906	27,555	10,906	24,115
	Utilised during the period (see note 20)	(15,997)	(31,085)	(15,997)	(26,818)
	At 31 December	**27,926**	**36,407**	**27,926**	**33,017**

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
g	The movement in impairment charge is as follows:				
	Balance at 1 January	393,965	359,081	393,965	359,081
	Provision no longer required	-	-	-	-
	Impairment charge during the year	-	34,885	-	34,885
	Write-off	-	-	-	-
	Balance at 31 December	**393,965**	**393,966**	**393,965**	**393,966**

Company

	Balance at 1 Jan 2022	Addition	Provision no longer required	Adjustment	Balance at 31 December 2022
Commercial papers	250,220	-	-	(32,759)	217,461
Prepayment	31,502	-	-	(31,502)	-
Receivables from staff	1,966	-	-	(598)	1,368
Inventory	5,689	-	-	(5,689)	-
Other receivables (Nigeria Liability Pool)	6,825	-	-	(6,825)	-
Receivables from Related Party (Goldlink)	62,033	-	-	-	62,033
Fees receivable and other receivables	35,731	-	-	77,373	113,104
	393,965	**-**	**-**	**-**	**393,965**

Group	Balance at 1 Jan 2022	Addition	Provision no longer required	Adjustment	Balance at 31 December 2022
Commercial papers	250,220	-	-	(32,759)	217,461
Prepayment	31,502	-	-	(31,502)	-
Receivables from staff	1,966	-	-	(598)	1,368
Inventory	5,689	-	-	(5,689)	-
Nigeria Liability Pool	6,825	-	-	(6,825)	-
Receivables from Goldlink	62,033	-	-	-	62,033
Fees receivable and other receivables	35,731	-	-	77,373	113,104
	393,965	**-**	**-**	**-**	**393,965**

i This relates to amount recoverable from :1. Associates- Goldlink Insurance Plc - as at 31 December 2022, the amount relates to various expenses incurred on their behalf amounting to ₦62.033 million (2021, ₦62.033 million).

9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2022. The details of the subsidiaries and principal activities are detailed below:

	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Veritas Glanvills Pension Limited at cost (See Note (a)below)	-	-	3,610,000	3,208,560
Veritas Health Care Limited at cost (See Note (b)below)	-	-	416,300	416,300
	-	**-**	**4,026,300**	**3,624,860**

a Veritas Glanvills Pension Limited has issued ordinary share capital of 5 billion units of N1 each.

Veritas Kapital holds 3.5 billion (70%): The company was incorporated on 20 April 2005, and licensed by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos

b Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

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

	Veritas Glanvills Pension		Veritas Healthcare Limited	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Total revenue	2,001,655	1,362,959	411,985	345,784
Profit before tax	570,066	267,530	52,680	43,822
Total assets	6,502,585	4,716,605	738,038	654,604
Total liabilities	395,098	495,602	143,563	84,921
Shareholders fund	6,107,487	4,221,003	594,475	569,683

c **Movement in Investment in Subsidiaries during the year**

	GROUP		COMPANY	
	2022	2021	2022	2021
Movement in Investment in Veritas Glanvills Pensions Ltd	**N'000**	**N'000**	**N'000**	**N'000**
balance as at January 1	-	-	3,208,560	1,160,000
Addition during the year	-	-	401,440	2,048,560
Impairment as at December 31	-	-	-	-
	-	**-**	**3,610,000**	**3,208,560**
Movement in Investment in Veritas Healthcare Ltd	**N'000**	**N'000**	**N'000**	**N'000**
balance as at January 1	-	-	416,300	416,300
Addition during the year	-	-	-	-
Impairment as at December 31	-	-	-	-
	-	**-**	**416,300**	**416,300**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
10	**Investment in Associates**	1,010,650	1,010,650	1,010,650	1,010,650
	Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
		-	-	-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2021:1,268,314,351) ordinary shares representing 51.53% (2021:51.53%) holdings in Goldlink Insurance Plc as at 31/1/2022.

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

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.
In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

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

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

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

11 Investment properties

Investment property comprises of landed property and building held for the purpose of capital appreciation and rental income and are carried at fair value.

The movement in the fair value of investment properties as at 31 December 2022 is as follows:

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	45,000	289,439	45,000	289,439
Addition	-	-	-	-
Disposal	-	(244,439)	-	(244,439)
Fair value gain	-	-	-	-
Balance at 31 December (see note 11c)	**45,000**	**45,000**	**45,000**	**45,000**

Measurement of fair value

a Fair value hierarchy.

The fair value of the Investment properties has been determined by external, independent professional valuers, Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) as at 31 December 2022, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The fair value measurement for the investment properties of ₦45.0 million (2021: ₦45.0 million) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b Valuation technique and significant unobservable inputs

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

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

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

C (ii) The movement in the fair value of investment properties as at 31 December 2022 is as follows

	Status of Title Documents	Balance at 1 Jan 2022	Additions	Disposals	Revaluation gain or loss	Balance at 31 December 2022
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
		45,000	**-**	**-**	**-**	**45,000**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

12 a. GROUP
Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	1,160,000	3,177,768	411,363	795,822	167,723	169,300	5,881,977
Additions	-	61,340	39,891	97,893	4,335	22,083	225,541
Revaluation adjustments	125,000	456	-	-	-	-	125,456
Transfer	-	-	-		-	-	-
Write off	-	-	-	-	-	-	-
Disposals	(20,000)	(275,436)	(1,365)	(39,520)	(706)	-	(337,026)
As at 31 December	1,265,000	2,964,129	449,889	854,195	171,352	191,383	5,895,947
Accumulated depreciation							-
At 1 January	-	93,544	314,637	511,539	135,162	152,708	1,207,589
Depreciation expenses	-	38,880	43,252	113,683	13,158	-	208,972
Disposals	-	(35,872)	(1,365)	(39,520)	(706)	-	(77,462)
As at 31 December	-	96,551	356,524	585,701	147,614	152,708	1,339,099
Carrying amount as at 31 December, 20	**1,265,000**	**2,867,577**	**93,365**	**268,493**	**23,739**	**38,675**	**4,556,848**

GROUP
Property, plant and equipment

	Leasehold land	Building	Office computer equipment	Motor vehicles	Office furniture and fittings	Work in progress	Total
Cost/Valuation	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	931,386	2,569,915	568,488	682,907	160,391	2,355	4,915,442
Additions	67,991	34,678	186,714	33,711	-	-	323,094
Revaluation adjustments	228,614	546,392	-	-	-	-	775,006
Transfer	-	-	-	-	-	(2,355)	(2,355)
Disposals	-	-	(39,857)	(73,798)	(8,545)	-	(122,200)
As at 31 December	1,227,991	3,150,985	715,345	642,820	151,846	-	5,888,987
							-
Accumulated depreciation	-	46,899	455,130	478,353	144,528	-	1,124,910
At 1 January	-	53,170	43,758	104,505	6,854	-	208,287
Depreciation expenses	-	(54,988)	-	-	-	-	(54,988)
Disposals	-	-	(39,299)	(64,614)	(14,683)	-	(118,596)
As at 31 December	-	45,081	459,589	518,244	136,699	-	1,159,613
Carrying amount as at 31 December, 20	**1,227,991**	**3,105,905**	**255,756**	**124,576**	**15,147**	**-**	**4,729,375**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

12 b Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,140,000	2,123,554	279,795	338,705	132,531	-	4,014,584
Additions		60,990	5,551	1,136	3,630	5,874	77,180
Revaluation adjustments	125,000	456	-	-	-		125,456
Disposals			(1,365)	(39,520)	(706)	-	(41,591)
As at 31 December	1,265,000	2,185,000	283,981	300,320	135,455	5,874	4,175,630
Accumulated depreciation							
At 1 January	-	38,554	223,713	268,726	106,141	-	637,133
Depreciation expenses	-	21,817	17,764	38,370	6,648	-	84,599
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(1,365)	(39,520)	(706)		(41,591)
As at 31 December	-	60,371	240,112	267,576	112,083	-	680,141
Carrying amount as at 31 December, 2022	**1,265,000**	**2,124,629**	**43,869**	**32,744**	**23,372**	**5,874**	**3,495,489**

Company
Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	911,386	1,901,612	299,758	387,076	114,773	2,355	3,616,961
Additions		52,140	20,278		26,304	-	98,722
Revaluation adjustments	228,614	169,801	-	-	-	-	398,415
Transfer/ Reclassification	-	-	-	-	-	(2,355)	(2,355)
Disposals			(39,857)	(48,372)	(8,545)	-	(96,774)
As at 31 December	1,140,000	2,123,553	280,179	338,704	132,532	-	4,014,969
Accumulated depreciation							-
At 1 January	-	-	246,609	266,943	112,610	-	626,163
Depreciation expenses	-	38,554	16,787	47,179	2,002	-	104,522
Revaluation adjustments	-	-	-	-	-	-	-
Disposals	-	-	(39,299)	(45,396)	(8,472)	-	(93,167)
As at 31 December	-	38,554	224,097	268,726	106,140	-	637,518
Carrying amount as at 31 December, 2021	**1,140,000**	**2,084,999**	**56,082**	**69,978**	**26,392**	**-**	**3,377,451**

a) Land and Building was independently valued by Obiora Okafor & Associates, Real Estate surveyors (FRC/2020/003/00000021867) in 2022 to ascertain the open market value of land and building. The open market value of land and building as at 31 December 2022 was ₦3,390 million (2021: ₦3,225 million)

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

12c. Leasehold Land and Building Comprises:

Group	31 December 2022			31 December 2021		
	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	742,949	742,949	-	845,432	845,432
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,000,000	1,800,000	2,800,000	900,000	1,700,000	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	125,000	200,000	325,000	100,000	200,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	185,000	325,000	140,000	185,000	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	-	-	-	20,000	250,000	270,000
	1,265,000	2,927,949	4,192,949	1,160,000	3,180,432	4,340,432

Parent	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	1,000,000	1,800,000	2,800,000	900,000	1,700,000	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	125,000	200,000	325,000	100,000	200,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	140,000	185,000	325,000	140,000	185,000	325,000
	1,265,000	2,185,000	3,450,000	1,140,000	2,085,000	3,225,000

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

12d Movement in leasehold land and building is as follows:

Group 2022

	Status of title documents	Balance as at Jan 1, 2022 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2022 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	809,099		(35,871)	-	(17,062)		756,166
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-		(2,029)	27,029	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	325,000	-	-		(2,199)	2,199	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	270,000	-	(270,000)			-	-
		4,304,099	**60,990**	**(305,871)**	**-**	**(38,879)**	**185,827**	**4,206,166**

Group 2021

	Status of title documents	Balance as at Jan 1, 2021 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2021 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	433,845	50,529				324,725	809,099
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,300,000	52,140	-	-	-	247,860	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	290,000	-	-	-	-	10,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	223,000	-	-	-	-	102,000	325,000
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	218,133	-	-	-	-	51,867	270,000
		3,464,978	**102,669**	**-**	**-**	**-**	**736,452**	**4,304,099**

Company 2022

	Status of title documents	balance as at Jan 1, 2022 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2022 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,600,000	60,990	-	-	(17,589)	156,599	2,800,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	300,000	-	-		(2,029)	27,029	325,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	325,000	-	-		(2,199)	2,199	325,000
		3,225,000	**60,990**	**-**	**-**	**(21,817)**	**185,827**	**3,450,000**

Company 2021

	Status of title documents	balance as at Jan 1, 2021 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciation N'000	Revaluation adjustment N'000	Balance as at 31 December 2021 N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,300,000	52,140	-	-	(38,554)	286,414	2,600,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	290,000					10,000	300,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	223,000					102,000	325,000
		2,813,000	**52,140**	**-**	**-**	**(38,554)**	**398,414**	**3,225,000**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		31-Dec-22 N'000	31-Dec-21 N'000
13	**Goodwill**		
	Balance, beginning of the year	316,884	316,884
	Adjustment	-	-
	Balance, end of year	316,884	316,884
	The goodwill is arising on acquisitions in the following subsidiaries:		
	VG Pension	316,884	316,884
	Veritas Health Care Limited	-	-
		316,884	**316,884**
a	Analysis of movement		
	Balance at 1 January	316,884	316,884
	Impairment (see note 33)	-	-
	Balance at 31 December	**316,884**	**316,884**

The goodwill recognised on acquisition of Veritas Healthcare Limited (₦69.56 million) was fully impaired.

The calculation of value-in-use was based on the following key assumptions

- The cashflows were projected based on the company’s approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company.

-A terminal growth rate averaging 2.8% for VHCL and 4.6% for VGPL (2021: averaging 2.8% for VHCL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for VHCL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for VHCL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

The estimated cashflow projections for the five years forecast period is N1.9Billion (2021: ₦0.997Billion, this was derived by using a forecasted growth rate of 15.33% (2021: 23%)

- The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

Assessment of impairment on goodwill was developed by the management of the company.

14 Intangible assets - Software

This comprises of acquired computer software which does not form part of a related hardware.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
	68,114	102,297	48,162	69,901
Computer software				
Cost				
Balance, at 1 January	488,724	404,437	354,639	294,254
Additions	1,676	81,932	-	58,030
Reclassification from PPE note 12		2,355		2,355
Balance at 31 December	490,401	488,724	354,639	354,639
Accumulated amortisation				
Balance, at 1 January	386,428	354,537	284,739	268,955
Amortisation expense	35,859	31,890	21,739	15,783
Balance at 31 December	422,287	386,427	306,478	284,738
Carrying amount 31 December	**68,114**	**102,297**	**48,162**	**69,901**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
15	**Statutory deposit**	**355,000**	**355,000**	**355,000**	**355,000**

This represents amount deposited with the Central bank of Nigeria (CBN) as at December 31, 2022 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

		Group	Group	Company	Company
16	**Insurance contract liabilities**	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
	Outstanding claims (see Note(a) below)	**N'000**	**N'000**	**N'000**	**N'000**
	Outstanding claims reported	1,000,169	1,270,426	1,000,169	1,270,426
	Claims incurred but not reported	705,774	735,499	689,864	729,356
		1,705,943	2,005,926	1,690,033	1,999,782
	Unearned premium (see Note (b) below)	1,571,285	2,146,324	1,571,285	2,146,324
		3,277,229	**4,152,250**	**3,261,317**	**4,146,106**
a	**Provision for outstanding claims**				
	Motor insurance	15,627	60,222	15,627	60,222
	Fire insurance	288,818	601,704	288,818	601,704
	General accident insurance	196,679	187,134	196,679	187,134
	Marine insurance	22,695	91,035	22,695	91,035
	Engineering	133,722	159,192	133,722	159,192
	Aviation	83,314	66,996	83,314	66,996
	Oil and gas	115,784	285,273	115,784	285,273
	Bond	11,476	11,462	11,476	11,462
	Agric	821,918	536,765	821,918	536,765
	PHI	15,910	6,143		-
		1,705,943	**2,005,925**	**1,690,033**	**1,999,781**
a(i)	Movement in outstanding claims:				
	Balance at 1 January	1,270,425	736,871	1,270,425	736,871
	Decrease in Outstanding Claims (see note 31)	(270,256)	533,554	(270,256)	533,554
	Balance at 31 December	**1,000,169**	**1,270,425**	**1,000,169**	**1,270,425**
a(ii)	Movement in IBNR is analysed as follows:				
	Balance at 1 January	735,499	493,837	729,356	489,338
	Increase in IBNR (see note 31)	39,491	241,662	39,491	240,018
	Balance at 31 December	**705,774**	**735,499**	**689,864**	**729,356**

a(iii) Age analysis of outstanding claims is analysed below

No. of Days	2022 Number of Claimants	2022 Outstanding claims (N'000)	2021 Number of Claimants	2021 Outstanding claims (N'000)
0-90	119	81,689	94	312,709
91-180	93	170,092	92	51,054
181-270	87	112,536	100	30,249
271-365	108	73,423	89	70,491
Above 365	862	562,429	781	805,924
Total	**1,269**	**1,000,169**	1,156	1,270,427

All claims are recorded as outstanding claims upon receipt of notification from the broker/beneficiary. Claims are settled within the stipulated timelines in accordance with section 70 of the insurance Act 2003. Upon receipt of signed discharge voucher from the beneficiary, as at 31 December 2022, the balance of outstanding claims above 90 days represents claims for which appropriate complete documentation are yet to be received.

a(iv) Categorization of outstanding claims

Reason for outstanding	DAYS											
	0-90		91-180		181-270		271-365		Above 365		Total	
	QTY -	Amount N'000	QTY -	Amount N'000	QTY -	Amount N'000	QTY -	Amount N'000	QTY -	Amount N'000	QTY -	Amount N'000
Awaiting adjusters final report	-	-	-	-	-	-	1	34,037	-	-	1	34,037
Awaiting Lead Insurer's instruction	-	-	-	-	-	-	4	600	22	3,300	26	3,900
Claims reported but incomplete documentation	118	76,083	107	53,061	93	170,092	82	77,899	839	303,172	1,239	680,306
Discharge Voucher not yet signed	-	-	1	20,363	-	-	-	-	1	255,957	2	276,320
Repudiated but processing loss adjuster's fees	1	5,606	-	-	-	-	-	-	-	-	1	5,606
Total	**119**	**81,689**	**108**	**73,423**	**93**	**170,092**	**87**	**112,536**	**862**	**562,429**	**1,269**	**1,000,169**

a(v) The investment in respect of these insurance funds is a stated in Note 3b.
Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the management of the company with the use of a professional actuary (O and A Hedge Actuarial Consulting) with FRC registration number FRC/2016/NAS/00000015764

b **Reserve for unearned premium**	**Group 31-Dec-22 N'000**	**Group 31-Dec-21 N'000**	**Company 31-Dec-22 N'000**	**Company 31-Dec-21 N'000**
Motor insurance	268,268	200,491	268,268	200,491
Fire insurance	277,626	384,628	277,626	384,628
General accident insurance	105,308	99,156	105,308	99,156
Marine insurance	25,102	193,097	25,102	193,097
Engineering	212,835	81,839	212,835	81,839
Aviation	22,882	37,857	22,882	37,857
Oil and gas	624,127	267,764	624,127	267,764
Bond	85	15,137	85	15,137
Agric	19,543	852,923	19,543	852,923
PHI PREMIUM	-	-	-	-
	1,555,776	2,132,892	1,555,776	2,132,892
AURR	15,508	13,432	15,508	13,432
	1,571,285	**2,146,324**	**1,571,285**	**2,146,324**

b(i) Movement in unearned premium can be analysed as follows:

Balance at 1 January	2,146,324	1,625,307	2,146,324	1,623,284
(Decrease)/Increase in unearned premium (see note 28)	(575,040)	521,017	(575,040)	523,041
	1,571,284	**2,146,324**	**1,571,284**	**2,146,325**

17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at period end. The carrying amounts disclosed below approximate the fair values at the reporting date.

	Group	**Group**	**Company**	**Company**
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
	N'000	**N'000**	**N'000**	**N'000**
This is analysed as follows:				
Co-insurance premium payable	339,554	357,745	339,554	357,745
Commission payable	209,178	130,445	209,178	130,445
	548,733	**488,190**	**548,733**	**488,190**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
18	**Retirement benefit obligation**				
	Gratuity Scheme	-	-		
	Balance at 1 January	17,024	14,724	-	-
	Contributions in the period	5,163	2,300	-	-
	Balance at 31 December	**22,187**	**17,024**	-	-

a **Defined Benefit Scheme**

Veritas Healthcare Limited has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum number of periods are paid a sum based on their qualifying emoluments and the number of periods spent in service of the Company. The actuarial valuation of the scheme for 31 December 2022 was performed by PENMED Actuarial Consultants FRC/2014/NAS/0000000953.

Summary of membership data	2022	2021
Active Members	13	14
Total annual emoluments	N114.4mn	N96.7mn
Average Liability duration over future service	18.6	18.5

Underlying assumptions

The rate used to discount Pre-retirement employment benefit obligations is determined in line with IAS19, with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds are used. The actuary is of the opinion that there is no deep market in corporate bonds in Nigeria and as such, assumptions underlying the determination of discount rates are referenced to the yield on Nigeria Government Bonds of medium duration, as compiled by the debt management office, after provision for small risk premium to be included in the discount rate assumption.

Benefit Liability and assets	**2022 N'000**	**2021 N'000**
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
(Deficit) / Surplus of Funded Plans	(22,187)	(17,024)
Present Value of Unfunded Obligations	-	-
Unrecognized past service cost		
Liability Recognized	(22,187)	(17,024)

(i). **Reconciliation of Defined Benefit Obligation**
Changes in the present value of the defined benefit obligation are as follows;

	2022	2021
At 1 January	17,024	14 724
Current service cost*	1,973	1 954
Interest Cost	2,128	1 841
Employees Contribution	-	-
Benefit paid (estimate)	(1,753)	(9 62)
Actuarial losses/(gains) due to change in financial assumptions	(96)	(5 33)
Actuarial losses/(gains) due to change in demographic assumptions	2,911	-
At 31 December	**22,187**	**17,024**

*Current service cost was included as part of staff cost in note 36

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

19 Provision and other payables	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
This is analysed as follows:				
Life insurance fund (Note 19a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remittable deductions	75,636	55,326	55,495	38,773
Staff accounts (see note 19b)	121,953	31,526	51,686	31,526
Accrued professional fees (see note 19c)	47,923	40,992	47,323	40,992
Accrued NAICOM levy	44,696	61,887	44,696	61,887
Supplies & Services Bills Payables (note 19e)	135,914	334,201	121,255	107,373
Other accruals and payables (see note 19f)	84,204	181,486	12,969	137,305
Unclaimed dividends	14,806	15,046	14,806	15,046
Due to employees	9,197	8,545	9,197	8,545
Pension Protection fund (note 19d)	201,049	136,283	-	-
	866,796	**996,710**	**488,845**	**572,864**

a Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

b Staff account balance is in respect of variable pay provision, unremitted amount on behalf of staff to various PFAs for the month of December 2022 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at January 2023, staffrelated benefits have been fully settled.

c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

f Included in other accruals are unmatched inflows into various bank accounts and stale unpresented cheques.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Current	519,523	713,963	342,622	426,400
Non-Current	347,273	282,747	146,224	146,463
	866,796	**996,710**	**488,845**	**572,864**

20 Income tax liabilities				
Company income tax	75,182	63,929	24,469	17,279
Education tax	12,985	16,315	958	6,838
Information technology levy	8,714	-	2,189	
Police Trust Fund	44	13	11	
Under provision in prior years	-	12,795	-	12,795
Per income statement	96,925	93,051	27,627	36,911
Balance at beginning of the year	90,538	94,458	23,542	30,969
Withholding tax utilised (see note 8f)	(19,113)	(31,085)	(15,997)	(26,818)
Payments	(59,287)	(69,772)	(365)	(17,520)
Per statement of financial position	**109,064**	**86,652**	**34,807**	**23,542**

21.1 Deferred tax asset				
At 1 January	16,039	7,316	21,745	-
Write back to income statement	44,815	14,977	-	21,745
Balance at 31 December	**60,854**	**22,293**	21,745	21,745

21.1a Unrecognised deferred tax assets	31-Dec-22 Gross amount N'000	31-Dec-22 Tax Impact N'000	31-Dec-21 Gross amount N'000	31-Dec-21 Tax Impact N'000
The amount of deductible temporary differences for which no deferred tax asset is recognised in the Company & Group is detailed below:				
Property and equipment (unutilised capital allowance)	**3,111,972**	**933,592**	-	-
	3,111,972	**933,592**	-	-

Deferred tax assets have not been recognized in respect of these items because it is not presently probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 30-Jun-21 N'000

21.2 Deferred tax liability

At 1 January	20,741	324,764	-	310,094
Charges for the year	6,718	6,071	-	-
Write back	-	(310,094)	-	(310,094)
Balance at 31 December	**27,459**	**20,741**	**-**	**-**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
22 Issued and paid-up share capital				
a Authorised				
14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000	7,000,000	7,000,000
b Issued and fully paid				
At 31 December	**6,933,333**	**6,933,333**	**6,933,333**	**6,933,333**

13,866,666 units (2021 - 13,866,666 units) of shares at 50k each were issued and fully paid as at December 31, 2022. All

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

23 Share premium

Share premium comprises additional paid-in capital in excess of their per value.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 31 December	**663,600**	**663,600**	**663,600**	**663,600**

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Balance at 1 January	1,303,505	1,121,845	1,303,505	1,121,845
Transfer from retained earnings	131,087	181,661	131,087	181,661
Balance at 31 December	**1,434,593**	**1,303,505**	**1,434,593**	**1,303,505**

25 Retained earnings

The retained earnings are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 30-Jun-21 N'000
Balance at 1 January	(1,236,052)	(1,559,693)	(1,731,721)	(1,881,303)
Transferred from statement of Profit or loss for the year	526,077	505,302	191,315	331,242
On disposal of property	63,160	-	-	-
Transfer to Contingency Reserve	(131,087)	(181,661)	(131,087)	(181,661)
Balance at 31 December	**(777,903)**	**(1,236,052)**	**(1,671,493)**	**(1,731,721)**

26.1 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Land				
Balance at 1 January	984,796	756,182	984,796	756,182
Revaluation surplus	125,000	228,614	125,000	228,614
Balance at 31 December	**1,109,796**	**984,796**	**1,109,796**	**984,796**
Building				
Balance at 1 January	1,654,795	1,053,415	1,223,216	1,053,415
Revaluation (deficit)/ surplus	(62,703)	601,380	456	169,801
Balance at 31 December	**1,592,091**	**1,654,795**	**1,223,672**	**1,223,216**
Transferred to NCI (see note 38)	**(129,452)**	(129,634)	**-**	**-**
	1,462,639	**1,525,161**	**1,223,672**	**1,223,216**
Carrying amount	**2,572,435**	**2,509,957**	**2,333,468**	**2,208,012**

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
26.2 FVOCI reserve				
Balance at 1 January	(60,112)	40,924	(56,423)	45,146
Net actuarial gains on retirement benefit obligation	(2,633)	533	-	-
Fair value gain on FVOCI financial instruments	9,159	(101,569)	9,159	(101,569)
	(53,586)	**(60,112)**	**(47,264)**	**(56,423)**

27 Earnings per share

Basic earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit after tax attributable to equity holders N'000	693,277	344,414	191,315	331,242
Weighted average no. of ordinary shares at end of year '000	6,933,333	6,933,333	6,933,333	6,933,333
Basic earnings per share (kobo)	0.10	0.05	0.03	0.05

The Company does not have any instrument with a dilutive effect on its capital, Hence, the basic earnings per share is same as diluted earnings per share

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
28	**Gross premium**				
	Gross premium earned (see note (a)below)	4,608,047	6,250,994	4,307,458	5,987,397
	Inward reinsurance premium (see note (b)below)	62,115	67,955	62,115	67,955
	Gross written premium	4,670,162	6,318,949	4,369,573	6,055,352
	Changes in unearned premium (see note 16 b(i))	575,040	(523,041)	575,040	(523,041)
		5,245,202	**5,795,909**	**4,944,613**	**5,532,311**
a	**Group premium earned is further analysed as follows:**				
	Fire	896,082	775,450	896,082	775,450
	General accident	448,620	341,814	448,620	341,814
	Marine	135,630	394,845	135,630	394,845
	Motor	600,760	583,641	600,760	583,641
	Oil and gas	1,744,831	870,614	1,744,831	870,614
	Aviation	271,105	279,345	271,105	279,345
	Engineering	456,838	196,594	456,838	196,594
	Bond	654	22,489	654	22,489
	Agric	(247,061)	2,522,605	(247,061)	2,522,605
	Return Premium	-	-	-	-
	PHI Premium	300,589	263,597	-	-
		4,608,047	**6,250,994**	**4,307,458**	**5,987,397**
b	**Inward reinsurance premium**				
	Fire	40,411	22,688	40,411	22,688
	Motor	2,790	7,268	2,790	7,268
	General accident	2,361	1,580	2,361	1,580
	Aviation	517	2,703	517	2,703
	Engineering	10,841	16,139	10,841	16,139
	Marine	5,132	2,266	5,132	2,266
	Oil and gas	-	4,733	-	4,733
	Agric	63	10,578	63	10,578
		62,115	**67,956**	**62,115**	**67,956**
29	**Reinsurance cost**				
	Reinsurance cost	1,880,665	2,685,787	1,880,665	2,685,787
	Movement in prepaid reinsurance	364,844	171,297	364,844	171,297
	Reinsurance expenses (note 6a)	**2,245,509**	**2,857,083**	**2,245,509**	**2,857,084**
30	**Commission income**	**213,684**	**491,209**	**213,684**	**491,209**
	Deferred commission income at 1 January	-	-	-	-
	Fees and Commission income during the year	213,684	491,209	213,684	491,209
	Fees and commission earned during the year	(213,684)	(491,209)	(213,684)	(491,209)
	Deferred commission as at 31 December	-	-	-	-
31	**Claims expenses**				
	Direct claims paid	1,492,956	2,694,452	1,322,925	2,694,452
	Changes in outstanding claims (see note 16 a(i)	(270,256)	533,554	(270,256)	533,554
	Changes in IBNR (see note 16a(ii))	(39,491)	241,662	(39,491)	240,018
	PHI claims	7,341	151,264	-	-
	Gross claims incurred	1,190,550	3,620,933	1,013,177	3,468,025
	Reinsurance recovery (see note 31(a)below	(296,843)	(2,319,786)	(296,843)	(2,319,786)
		893,707	**1,301,147**	**716,334**	**1,148,239**
31a	**Analysis of reinsurance recoverable**				
	Reinsurance recovery on paid claims	319,376	2,058,387	319,376	2,058,387
	Movement in reinsurance share of outstanding claims (see note 6b)	(22,533)	262,276	(22,533)	262,276
	Movement in reinsurer's share of paid claims	-	(877)	-	(877)
	Total reinsurance recoverable	**296,843**	**2,319,786**	**296,843**	**2,319,786**
32	**Underwriting expenses**				
	Acquisition costs during the year	789,429	764,476	789,429	764,476
	Movement in deferred acquisition	(57,953)	(167,257)	(57,953)	(167,257)
	Acquisition expenses during the year (See note 7)	731,476	597,220	731,476	597,219
	Maintenance cost during the year	136,523	249,220	136,523	249,220
	Total underwriting expenses	**867,999**	**846,440**	**867,999**	**846,439**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
33	**Impairment of financial assets**				
	Impairment charge on other assets	36	34,885	36	34,885
	Write back on other assets	-	-		-
	Impairment write-back on trade receivable	-	-		-
	Impairment charge on goodwill (see note 12)	-	-		-
	ECL charge on financial asset (see note 4b)	8,234	(340)	824	(5,964)
	ECL (write back) / charge on placement (see note 3.1)	(3,475)	984	300	393
			-		-
		4,795	35,528	1,160	29,314
34	**Investment income**				
	Dividends from equity investments at FVTPL	5,556	14,022	50,769	18,034
	Loss on disposal of investment property	-	(24,990)	-	(24,990)
	Interest received from:		-	-	-
	Bonds (see note 34a)	513,347	391,804	148,623	310,475
	FGN Treasury bills	5,474	7,989	5,474	7,989
	Short term deposits	372,525	254,690	186,625	209,165
	RSA asset-based fee	1,308,910	1,241,613		-
	Statutory deposit	32,195	9,022	14,887	9,022
	Loss on disposal of investment		(293,923)		(293,923)
		2,238,007	**1,600,227**	**406,377**	**235,772**
	Further analysed as follows:				
	Attributable to policy holders fund	85,339	49,512	85,339	49,512
	Attributable to shareholders funds.	2,152,668	1,550,715	321,038	186,260
		2,238,007	**1,600,227**	**406,377**	**235,772**

34 a The amounts reported above include interest income, calculated using the effective interest method, that relate to the following financial assets.

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest income calculated using effective interest rate	513,347	391,804	148,623	310,475
TOTAL	**513,347**	**391,804**	**148,623**	**310,475**

		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
35	**Other operating income**				
	Rental income	3,644	10,629	20,279	12,856
	Profit on sale of property, plant and equipment	24,830	6,746	12,064	6,746
	Staff Mortgage loan-interest	1,717	-	1,717	-
	RSA administrative fee income	135,688	-	-	-
	Exchange (loss) / gain (See Note 35bi)	168,397	86,031	168,397	86,031
	Admin charges- Formal sector	47,124	45,409	-	-
	Sundry income (See Note 35bii)	64,532	51,158	23,902	27,621
		445,933	**199,974**	**226,359**	**133,254**

35bi Exchange gain/ loss relates to translation of transactions in foreign currency for outstanding claims, bank balances and foreign currency investments as at end of the year to naira at CBN spot rate.

35bii Sundry income relates to income received in the current period as a result of transactions which were not earlier accrued for due to insufficient information. This includes:

1. Service charge received from tenant ₦3,538
2. Reimbursement on 2020 ITF ₦1,203
3. Claim Recovery ₦595

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
36	**Management expenses**				
	Staff costs	1,465,159	1,309,780	658,841	644,703
	Directors' allowances and expenses	477,832	381,440	300,847	255,903
	Depreciation and amortisation	244,832	240,028	106,339	120,305
	Professional fees	66,513	47,152	55,524	31,614
	Audit fees	30,952	30,063	20,000	20,000
	Marketing and advertisement	355,695	192,316	318,526	177,382
	Administrative expenses	326,179	224,085	95,870	123,796
	NITDA information technology levy	-	2,649	-	-
	Repairs and maintenance	39,716	26,286	5,921	4,618
	Travel costs and allowances	28,384	45,618	20,104	18,131
	NAICOM Levy	51,268	35,032	51,268	35,032
	Donation (See Note 36b below)	24,189	21,796	100	-
	Electricity and power	37,888	26,818	31,853	21,685
	Penalty charge (see note 41)	23,100	500	6,800	500
	Subscription	17,687	1,873	15,409	-
	Printing and stationeries	25,756	18,121	14,276	2,640
	Information technology expenses	78,252	48,852	39,908	25,305
	Write-offs	-	-	-	-
	Pension protection fund levy	41,608	35,537	-	-
	Rent and rate	28,338	19,378	-	-
		3,363,349	**2,707,323**	**1,741,586**	**1,481,615**
37	**Income tax expense**				
	Education tax	12,985	16,315	958	6,838
	Company income tax	75,182	63,929	24,469	17,279
	Police trust fund	44	13	11	
	Information technology levy	8,714		2,189	
	Under provision in prior years	-	12,795	-	12,795
	Deferred tax (write-back)/expense	(26,685)	(319,000)	-	(331,839)
		70,240	**(225,949)**	**27,627**	**(294,928)**

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
37b Reconciliation of effective tax rate				
Profit for the year after income tax	693,277	570,363	191,315	331,242
Total Tax expense;		-		
Income	75,182	63,929	24,469	17,279
Education	12,985	-	958	-
Police Trust Fund	44		11	
Information technology levy	8,714		2,189	
Deferred	(26,685)	(319,000)	-	(331,839)
Under provision in previous years	-	12,795	-	12,795
	70,240	(242,277)	27,627	(301,766)
Profit for the period before income tax	763,517	344,414	218,942	36,314
Effective Tax Rate	9%		13%	

38 Non-Controlling interest

The movement in non-controlling interest during the year is shown below:

Balance, beginning of year	688,780	494,366
Share of profit/(loss) for the period	167,200	65,061
Share of other comprehensive income (see note 26.1)	(182)	129,633
Dividend Paid	(18,418)	(279)
Subsidiary recapitalization	1,050,000	
	1,887,382	**688,780**

39 Proposed Dividend

There was no proposed dividend during the year (2021: Nil)

40 Contingent liabilities

There were claims and litigations against the company as at 31 December, 2022, amounting to ₦49,543,757.43 (2021: ₦43,034,060.16). No provision is made in respect of this, as our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

41 Contraventions

31 December 2022	Group	Company
NATURE OF CONTRAVENTIONS	**N,000**	**N,000**
NAICOM penalty on single obligor limit	500	500
NGX penalty for late filling of 2021 Audited Financial Statement	4,800	4,800
NAICOM penalty for late renewal of Bancassurance License	1,000	1,000
Pencom penalty on KYC and single obligor limit	16,300	-
	22,600	**6,300**

31 December 2021		
NATURE OF CONTRAVENTIONS	**N,000**	**N,000**
NAICOM penalty on single obligor limit	250	250
	250	**250**

42 Related Parties Transactions

a Transactions between the company, and the subsidiaries also meet the definition of related party transactions where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. Details of transactions between the group and other related parties are disclosed below:

The Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel in the normal course of business of providing insurance cover on Motor, Fire, and General accidents. The transactions with related parties are made at normal market prices and conducted at arm's length.

	Relationship	Premium written N,000	Claims paid N,000
Veritas	Major Shareholder	14,812	-
Veritas Glanvills Pensions Limited	Subsidiary	15,619	2,119
Veritas Health Care Ltd	Subsidiary	1,263	-
Gold links insurance plc		-	

b Included in note 8 is the sum of N62.03 recoverable from related entities during the year under review. The breakdown and nature of transactions are included below:

	Relationship	Amount N,000	Nature of transaction
Goldlink Insurance Plc	Associate	62,033	This relates to the amount receivable on various expenses incurred on behalf of the entity in year 2019.

c **Compensation of key management personnel**

Key management personnel refer to those persons having authority and responsibility for planning, directing and controlling the activities of the company. It comprises executive and non-executive directors and senior management.

The summary of compensation of key management personnel for the year is as follows:

	2022	2021
Salaries (senior management and executive directors)	161,896	170,919
Fees	-	-
Total compensation to key management personnel	161,896	170,919
Director's cost (Non-Executive)	300,847	203,700
Salaries and wages (Executive)	55,579	40,979
Pension cost (Executive)	3,859	3,278
Total Directors cost	**360,285**	**247,957**
Remuneration of highest paid Director/Chairman		
Remuneration of highest paid Director	35,000	35,000

43 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

			2022 Number	2021 Number	2022 Number	2021 Number
Below	-	500,000	-	-	-	-
500,001	-	1,500,000	49	68	-	-
1,500,001	-	2,500,000	77	47	20	8
2,500,001	-	3,500,000	46	48	20	27
3,500,001	-	4,500,000	19	17	12	9
4,500,001	-	5,500,000	19	34	-	17
5,500,001	-	6,500,000	14	6	10	6
6,500,001	-	7,500,000	14	-	12	0
7,500,001	-	8,500,000	-	13	-	13
8,500,001	-	9,500,000	5	4	2	0
9,500,001	-	10,500,000	4	3	2	3
10,500,001	-	and above	10	10	8	10
			257	**250**	**86**	**93**

44 a Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities at 31/12/2022 were allocated as follows:

	Policy Holders N'000	Shareholders' Funds N'000	Total N'000
Cash and cash equivalents	1,593,752	744,181	2,337,933
Financial assets	1,641,740	-	1,641,740
Trade receivables	-	738,347	738,347
Reinsurance assets	-	728,481	728,481
Deferred acquisition cost		344,588	344,588
Other receivables and prepayments		197,155	197,155
investment in subsidiaries		4,026,300	4,026,300
Investment in associates		-	-
Investment properties	30,000	15,000	45,000
Goodwill and other intangible asset		48,161	48,161
Property, Plant and Equipment		3,495,489	3,495,489
Statutory Deposits		355,000	355,000
Deferred tax Asset		21,745	21,745
Total assets	**3,265,491**	**10,714,446**	**13,979,938**
Insurance contract liabilities	3,261,317		3,261,317
Shareholders and other funds	-	10,718,621	10,718,621
Total funds	**3,261,317**	**10,718,621**	**13,979,938**
Surplus / (deficit)	4,174	(4,174)	(0.00)

44 b Capital Management

Finance Act 2021 – Part IX – Insurance Act

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

(a) in the case of an existing company -

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

For this purpose, Admissible Assets are defined as:

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

(a) in the case of a new company -

- (i) Government Bonds and Treasury Bills,
- (ii) Cash and Bank balances, and
- (iii) Cash and cash equivalent.

As an existing company, our capital requirement is as shown below:

	2022 N'000	**2021 N'000**
Share capital	6,933,333	6,933,333
share premium	663,600	663,600
Retained Earnings	(1,671,493)	(1,731,720)
Contingency reserve	1,434,593	1,303,505
Excess of admissible assets over liabilities	7,360,032	7,168,719
Less amount of own shares held (Treasury shares)	-	-
	7,360,032	7,168,719
Subordinated liabilities approved by NAICOM	-	-
Any other financial instrument approved by NAICOM	-	-
Capital Requirement	**7,360,032**	**7,168,719**

45 SEGMENT REPORTING

Identification of reportable segments
The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business
The non-life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration
This reportable segment includes the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care
This reportable segment is a National Health Maintenance Organization (HMO) duly licensed and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets:	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Cash and Cash Equivalents	2,337,932	3,834,178	1,455,038	303,687	615,822	554,868		1,198,400	4,408,792	5,891,133
Financial Assets	1,641,740	1,479,840	3,711,060	610,317			(1)	1,067,932	5,352,799	3,158,089
Trade receivable	738,347	119,565	0	168,170	-	45,449		(213,620)	738,347	119,564
Reinsurance Assets	728,481	1,115,859	0	-	0			-	728,481	1,115,859
Deferred Acquisition Cost	344,588	286,636	-	-	-	-		-	344,588	286,636
Other receivables and prepayment	197,155	220,975	270,262	29,206	68,016	2,622	(1)	169,645	535,432	422,448
Investment in subsidiaries	4,026,300	3,624,860					(4,026,300)	(3,624,860)	-	-
Investment in Associate	-	-						-	-	-
Investment Properties	45,000	45,000						-	45,000	45,000
Goodwill	-	-					316,884	316,884	316,884	316,884
Intangible Assets	48,161	69,901	19,952	27,210				5,186	68,114	102,297
Property, Plant and Equipment	3,495,489	3,377,451	1,007,163	839,994	54,200	21,702		490,228	4,556,849	4,729,375
Statutory Deposit	355,000	355,000	0					-	355,000	355,000
Deferred Tax Asset	21,745	21,745	39,109	7,224				(6,676)	60,853	22,293
Total Assets	13,979,938	14,551,010	6,502,585	1,985,808	738,038	624,641	(3,709,418)	(596,882)	17,511,139	16,564,576
Liabilities:										
Insurance contract liabilities	3,261,317	4,146,106			15,910	-		6,143	3,277,231	4,152,250
Trade payables	548,733	488,190			0	7,897		(7,897)	548,733	488,190
Employees retirement benefit obligations	-	-			22,187	17,024	-	-	22,187	17,024
Provision and other payables	488,845	572,864	337,267	288,926	61,581	-	(20,898)	134,920	866,796	996,710
Income tax liabilities	34,807	23,542	57,831	10	16,426	34,471		28,629	109,065	86,652
Deferred Tax Liabilities	-	-			27,459			20,741	27,459	20,741
Other Liabilities	-	-						-	-	-
Issued and paid-up share capital	6,933,333	6,933,333	5,000,000	1,500,000	429,075	429,075	(5,429,075)	(1,929,075)	6,933,333	6,933,333
Share premium	663,600	663,600	0		8,946	8,946	(8,946)	(8,946)	663,600	663,600
Statutory Contingency reserves	1,434,593	1,303,505	197,153	122,785	0		(197,152)	(122,785)	1,434,594	1,303,505
Retained earnings	(1,671,493)	(1,731,720)	583,741	33,860	156,454	127,228	153,396	334,580	(777,902)	(1,236,052)
Other Component of Equity	-	-						-	-	-
Asset revaluation reserve	2,333,468	2,208,012	326,592	40,227	0		(87,806)	261,718	2,572,254	2,509,957
Fair value reserve	(47,264)	(56,423)			-		(6,323)	(3,689)	(53,587)	(60,112)
Non-Controlling interest (NCI)	-	-			0		1,887,382	688,780	1,887,382	688,780
										-
	13,979,939	14,551,010	6,502,585	1,985,808	738,038	624,641	(3,709,422)	(596,880)	17,511,143	16,564,578

	Business Segment Information- Consolidated statement of Comprehensive Income									
	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Net Underwriting Income	2,912,788	3,166,435	-	-	300,589	263,597			3,213,378	3,430,035
Profit before tax	218,942	36,314	570,066	264,881	52,680	43,289	(1,502)	(602)	763,517	344,414
Profit after tax	325,931	628,087	546,108	210,526	34,026	28,731		(670)	693,277	570,363

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments.

46 Risk management framework

(a) Capital management objectives, policies and approach

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

(i) To maintain the required level of stability of the Company thereby providing a degree of security to policy

(ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

(v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and max

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past quarter from previous quarters.

The table below shows the available capital resources as at 31 December:

	2022	2021
Total shareholders' funds	9,646,237	9,320,309
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	6,646,237	6,320,309

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (3 billion) whichever is higher.

38 Solvency Margin

The solvency margin for the company as at 31 December 2022 is as follows:

	Total Assets N'000	Inadmissible Assets N'000	31-Dec-22 Admissible Assets N'000	31-Dec-21 Admissible Assets
Cash and cash equivalents	2,337,933	583,924	1,754,009	2,852,683
Financial assets	1,641,740		1,641,740	1,479,839
Trade receivable	738,347		738,347	119,564
Reinsurance assets	728,481	-	728,481	1,115,859
Deferred acquisition cost	344,588	344,588	-	286,635
Other receivables and prepayments	197,155	143,517	53,638	92,920
Investment in subsidiaries	4,026,300	-	4,026,300	3,624,860
Investment in Associates	-		-	-
Investment properties	45,000	15,000	30,000	30,000
Goodwill	-		-	-
Intangible assets - Software	48,161		48,161	69,901
Property, plant and equipment-(L&B)	3,389,629	2,374,629	1,015,000	1,000,000
Property, plant and equipment (Others)	105,860		105,860	152,451
Statutory deposits	355,000		355,000	355,000
				-
Total Admissible Assets	**13,958,193**	**3,461,658**	**10,496,535**	**11,179,712**
Insurance contract liabilities	3,261,317		3,261,317	4,146,106
Trade payables	548,733		548,733	488,190
Employees retirement benefit obligations	-		-	-
Provision and other payables	488,845		488,845	572,864
Income tax liabilities	34,807		34,807	16,704
Deferred Tax Liabilities	-		-	-
Total Admissible liabilities	**4,333,702**		**4,333,702**	**5,223,864**
Solvency Margin			6,162,832	5,955,848
The higher of 15% Of Net premium or	404,865.60			
Minimum capital base	3,000,000		3,000,000	3,000,000
Excess			3,162,832	2,955,848
Solvency ratio			205%	199%

48 Financial instruments - Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022		Carrying amount		Other		Fairvalue			
In thousands of naira	Designated at fair value	Amortised cost	Fair value through OCI	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI	-	-	92,575	-	92,575	60,575	-	32,000	92,575
Fair Value through Profit or Loss	68,090	-	-	-	68,090	68,090	-	-	68,090
	68,090	-	92,575	-	160,665	128,665	-	32,000	160,665
Financial assets not measured at fair value									
Cash and cash equivalents	-	430,018	-	-	430,018		430,018		430,018
Trade Receivable*	-	738,347			738,347		738,347		738,347
Reinsurance assets*^	-	618,371	-	-	618,371		618,371		618,371
Placements	-	3,978,775	-	-	3,978,775		3,978,775		3,978,775
Statutory deposit	-	355,000	-	-	355,000		355,000		355,000
	-	6,120,511	-	-	6,120,511	-	6,120,511	-	6,120,511
Financial liabilities not measured at fair value									
Other payables*	-	-	-	866,796	866,796		866,796		866,796
Trade payables*	-	-	-	548,733	548,733		548,733		548,733
	-	**-**	**-**	**1,415,529**	**1,415,529**	**-**	**1,415,529**	**-**	**1,415,529**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets exclude prepaid reinsurance, which is not a financial asset (₦281.22 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

31 December 2021		**Carrying amount**								**Fairvalue**	
		Designated at		**Fair value**	**Other Financial**						
In thousands of naira	**Note**	**fair value**	**amortised cost**	**through OCI**	**liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	
Financial assets measured at fair value		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Financial assets		69,913	-	83,416	-	153,330	153,330	_		153,330	
		69,913	-	**83,416**	**0**	**153,330**					
Financial assets not measured at fair value											
Cash and cash equivalents		-	1,164,408	-	-	1,164,408					
Reinsurance assets*^		-	640,904	-	-	640,904					
Placements		-	2,675,528	-	-	2,675,528					
Statutory deposit		-	355,000	-	-	355,000					
		_	**4,835,839**	**-**	-	**4,835,839**					
Financial liabilities not measured at fair value											
Other payables*		_	_	_	996,710	996,710					
Trade payables*		_	_	_	488,190	488,190					
		_	_	_	**1,484,899**	**1,484,899**					

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets exclude prepaid reinsurance, which is not a financial asset (₦474.96 million)
^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments

Credit risk

Liquidity risk

Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM) Frame work that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

Veritas Kapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, Veritas Kapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations.
b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
c) Utilize appropriate, accurate and timely tools to measure credit risk.
d) Set acceptable risk parameters.
e) Maintain acceptable levels of credit risk for existing individual credit exposures.
f) Maintain acceptable levels of overall credit risk for Veritas Kapital Assurance's Portfolio; and
g) Coordinate Credit Risk Management with the management of other risks inherent in Veritas Kapital Assurance's business activities.

Unsecured exposures to high-risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

The Company's credit risk can be analysed as follows:

	2022	2021
	N'000	**N'000**
Reinsurance receivables (see note (a) below)	728,481	1,115,859
Cash and cash equivalents (see note (b) below)	4,408,793	5,891,133
Debt Instruments (see note (c) below)	5,167,266	3,004,759
Statutory deposit	355,000	355,000
	10,659,540	10,366,751

a Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 31 December 2022 (2021: NIL)

b Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

c Amortised cost

The Company's Debt instruments are investment in bonds with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2022 (2021: Nil)

The Company did not have any debt securities that were past due but not impaired as at 31 December 2022 (2021: Nil)

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other

Collateral held and other credit enhancements, and their financial effect

The Company does not hold collateral or any other enhancements against any of its receivables as at 31 December 2022.

Trade receivables

The Company has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Company defines credit risk as the risk of counterparty’s failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company’s credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

· Direct default risk: risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the Company has a bilateral contract default on one or more obligations.

· Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.

· Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to trade receivables
The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Company credit risk is constantly reviewed and approved during the Management Committee meetings. It also ensured that adequate provisions are taken in line with IFRS 9. Other credit risk management includes:

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Company is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected frommanagement.
- Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MC meetings.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model
Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of 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

Staged Approach to the Determination of Expected Credit Losses
IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired

The Company does not originate or purchase credit impaired loans or receivables

Impairment Methodology

Calculation of Expected Credit Losses
Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED according to the formular set below:

ECL	=	PD	X	EAD	X	LGD
12 -month / lifetime Expected Credit Loss (ECL)		Probability of default		Exposure at default		Loss Given Default (after consideration of collaterals and recoveries)

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 Moody's 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.

Treatment of loans and other receivables
All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter-company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Company also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal/Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

		2022			2021		
Internal rating grade	Moody's rating	12mECL	LTECL	Total	12mECL	LTECL	Total
Performing		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	4,414,490	-	4,414,490	5,900,305	-	5,900,305
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D			-			-
				-			-
Total Gross Amount		4,414,490	-	4,414,490	5,900,305	-	5,900,305
				-			-
ECL		(5,696)		(5,696)	(9,172)		(9,172)
Total Net Amount		4,408,793	-	4,408,793	5,891,133	-	5,891,133
				-			-
- amortised cost				-			-
High grade	**AAA-A+**	-	-	-	-	-	-
Standard grade	**BBB-B+**	5,224,197	-	5,224,197	3,047,500	-	3,047,500
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D			-			-
				-			-
Total Gross Amount		5,224,197	-	5,224,197	3,047,500	-	3,047,500
				-			-
ECL		(34,506)		(34,506)	(42,740)		(42,740)
				-			-
Total Net Amount		5,189,691	-	5,189,691	3,004,760	-	3,004,760

As at 31 December 2022, the Group had no asset reposed as security against asset. The group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The company does not generally use the non cash collateral for its own operations.

As at 31 December 2022, the Company has not pledged any of its assets as collateral for any liability or payable balance (2021: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain p to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

-The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
-The criteria do not align with the point in time when the asset becomes 30 days past due;
-The average time between the identification of a significant increase in credit risk and default appears reasonable
-Exposures are not generally transferred from 12- month ECL measurement to credit impaired and
-There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Definition of default

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held); or the financial asset Is more than 90 days past due.

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

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

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a ‘base case’ view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes."

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody’s based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. Changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude off the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery cot of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company deprives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standards and Poor default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in Note 2.1 Summary of significant accounting policies and in Note 2.3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

Group

31 December 2022			Contractual cash flows					
	Note	**Carrying amount**	**Gross nominal inflow/ (outflow)**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial assets								
Cash and cash equivalents	3	4,404,619	4,404,619	4,404,619				
Fair value through profit or loss	4a	68,090	68,090		68,090			
Amortised Cost	4b	5,192,133	8,590,842	4,295,421	36,177.10	64,580	259,302	3,935,362
Fair Value through OCI	4c	92,575	92,575		92,575			
Trade receivables	5	738,347	738,347	738,347				
Other receivables	8	558,701	558,701		558,701			
		11,054,466	**14,453,175**	**9,438,387**	**755,543**	**64,580**	**259,302**	**3,935,362**
Non-derivative financial liabilities								
Trade payables	17	548,733	548,733	525,076	23,657	-	-	-
Other payables	19	887,694	887,694	0	887,694	-	-	-
		1,436,427	1,436,427	525,076	911,351	0	0	0
Liquidity gap		9,618,039	13,016,748	8,913,311	(155,808)	64,580	259,302	3,935,362

Company

31 December 2022			**Contractual cash flows**					
	Note	**Carrying amount**	**Gross nominal inflow/ (outflow)**	**3 month or less**	**3 - 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial assets								
Cash and cash equivalents	3	2,333,759	2,333,759	2,333,759				
Fair value through profit or loss	4a	68,090	68,090		68,090			
Amortised Cost	4b	1,481,074	3,427,603	49,545.90	232,256	125,496	485,977	2,534,328
Fair Value through OCI	4c	92,575	92,575		92,575			
Trade receivables	5	738,347	738,347	738,347				
Other receivables	8	264,287	264,287		264,287			
		4,978,132	**6,924,661**	**3,121,652**	**657,208**	**125,496**	**485,977**	**2,534,328**
Non-derivative financial liabilities								
Trade payables	17	548,733	548,733	525,076	23,657	-	-	-
Other payables	19	887,694	887,694	376,929	510,765	-	-	-
		1,436,427	1,436,427	902,005	534,422	0	0	0
Liquidity gap		3,541,705	5,488,234	2,219,647	122,786	125,496	485,977	2,534,328

Group

31 December 2021

	Note	Carrying amount	Gross nominal inflow/ (outflow)	Contractual cash flows 3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	5,891,133	5,891,133	5,891,133				
Fair value through profit or loss	4a	69,913	69,913		69,913			
Amortised Cost	4b	3,004,760	7,567	-	-	-	-	7,567
Fair Value through OCI	4c	83,416	83,416		83,416			
Trade receivables	5	119,564	119,564	119,564				
Other receivables	8	472,454	472,454					
		9,641,241	**6,644,047**	**6,010,696**	**- 153,330**	**-**	**-**	**7,567**

Non-derivative financial liabilities	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	548,733	488,190	464,533	23,657	0	0	-
Provisions and other payables	887,694	996,710	189,730	806,980	0	0	-
	1,436,427	1,484,900	654,263	830,637	0	0	0
Liquidity gap	8,204,814	5,159,147	5,356,433	(677,307)	-	-	7,567

Company

31 December 2021

	Note	Carrying amount	Gross nominal inflow/ (outflow)	Contractual cash flows 3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets								
Cash and cash equivalents	3	3,834,178	3,834,178	3,834,178				
Fair value through profit or loss	4a	69,913	69,913		69,913			
Amortised Cost	4b	1,326,510	2,897,206	36,177	64,580	205,996	280,036	2,310,417
Fair Value through OCI	4c	83,416	83,416		83,416			
Trade receivables	5	119,565	119,565	119,565				
Other receivables	8	299,596	299,596					
		5,733,177	**7,303,873**	**3,989,919**	**- 217,909**	**205,996**	**280,036**	**2,310,417**

Non-derivative financial liabilities

	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	488,190	488,190	464,533	23,657	0	0	-
Provisions and other payables	996,710	996,710	189,730	806,980	0	0	-
	1,484,899	1,484,900	654,263	830,637	0	0	0
Liquidity gap	4,248,278	5,818,973	3,335,656	(612,727)	205,996	280,036	2,310,417

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets:	-	4,404,619	4,404,619	-	5,891,133	5,891,133
Reinsurance assets	728,481	-	728,481	1,115,859	-	1,115,859
Trade debtors	738,347	-	738,347		-	-
Deferred acquisition cost	728,481	-	728,481	286,636	-	286,636
Other receivables and prepayments	555,605	-	555,605	422,448	-	422,448
Statutory deposit	-	355,000	355,000	-	355,000	355,000
	2,750,914	**4,759,619**	**7,510,533**	**1,824,942**	**6,246,133**	**8,071,075**
Insurance contract liabilities	3,277,228	-	3,277,228	4,152,250	-	4,152,250
Trade payables	548,733	-	548,733	488,190	-	488,190
Other payables and accruals	887,694	-	887,694	996,710	-	996,710
Current tax payable	147,066	-	147,066	86,652	-	86,652
Deferred Tax	-	27,459	27,459		20,741	20,741
Retirement benefit obligation	-	22,187	22,187	-	17,024	17,024
Total liabilities	**4,860,720**	**49,646**	**4,910,366**	**5,723,801**	**37,765**	**5,761,566**

Company	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets:	-	2,333,759	2,333,759	-	3,834,178	3,834,178
Reinsurance assets	728,481	-	728,481	1,115,859	-	1,115,859
Trade debtors	738,347	-	738,347	119,565	-	119,565
Deferred acquisition cost	344,588	-	344,588	286,636	-	286,636
Other receivables and prepayments	217,326	-	217,326	220,975	-	220,975
Statutory deposit	-	355,000	355,000	-	355,000	355,000
	2,028,742	**2,688,759**	**4,717,501**	**1,743,034**	**4,189,178**	**5,932,212**
Insurance contract liabilities	3,261,317	-	3,261,317	4,146,106	-	4,146,106
Trade payables	548,733	-	548,733	488,190	-	488,190
Other payables and accruals	488,845	-	488,845	572,864	-	572,864
Current tax payable	72,810	-	72,810	23,542	-	23,542
Deferred Tax	-	-	-		-	-
Retirement benefit obligation	-	-	-	-	-	-
Total liabilities	**4,371,705**	**-**	**4,371,705**	**5,230,702**	**-**	**5,230,702**

(c)(iv) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include Euro, British pounds and United States dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 December 2022			31 December 2021		
In Thousands of	**Carrying**	**USD**	**NGN**	**Carrying value**	**USD**	**NGN**
Cash and cash equivalent	2,337,933	1,571,815	766,118	3,834,178		3,834,178
Financial assets	1,641,740	857,279	784,461	1,479,840		1,479,840
Net statements of financial **position exposure**	3,979,673	2,429,094	1,550,578	5,314,018	0	5,314,018

The following significant exchange rates have been applied.

	Period- end spot rate	
	2022	**2021**
Naira		
USD 1	448.55	412.99

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		**Equity, net of tax**	
Effects in thousand of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2022				
USD (10% movement)	242,909	(242,909)	242,909	(242,909)
31 December 2021				
USD (10% movement)	-	-	-	-

(c)(v) Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate. This eliminates the variability in the risks and returns on the Company's interest-bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

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

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

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

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

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

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact ofa single catastrophic even to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years. The level of reserve was determined after data cleansing by using our internationally accepted actuarial models

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be reflected in the future experience without attaching probability or level of uncertainty of variations around such experience) and stochastic (allowing for likely future variation around the average expected experience) and stochastic approach uses Bootstrap-Mark method

Chain Ladder Method (CL)

We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method

We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter’s views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This approach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data togenerate credible results using other more sophisticated methods.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The estimated technical reserves are derived statistically through analysing the company's non-life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provision’s adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

In Thousands of naira	31-Dec-22	31-Dec-21
Fixed-rate instruments		
Cash deposit	430,018	1,234,634
Money market placement	3,984,471	4,665,671
Amortised	5,192,133	3,004,760
	9,606,623	8,905,065

Cashflow sensitivity analysis for fixed-rate instruments

	Profit or	loss	Equity,	net of tax
Effect in thousands of naira	100bp increase	100bp decrease	100bp increase	100bp decrease
31 December 2022				
Financial instruments	960,662	(960,662)	890,507	(890,507)
	960,662	(960,662)	890,507	(890,507)
31 December 2021				
Financial instruments	890,507	(890,507)	890,507	(890,507)
	890,507	(890,507)	890,507	(890,507)

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.

The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

The Company has equity investments some of which are listed on the Nigeria Stock Exchange and are classified as fair value through profit or loss. A 2% increase in the share price of those equities at the reporting date would have increased equity by ₦1 .36 million after tax (2021: ₦1.40 million). An equal change in the opposite direction would have reduced equity by ₦1.36 million after tax (2021: ₦1.40 million).

Engineering Classes paid claim amounts(NGN'000) excluding large losses

Incremental Engineering Class Chain Ladder's Claim payments (in NGN'000) by Development Year											
Accident Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2012	4,666	314,422	90	2,442	1,270	-	-	-	-	-	
2013	6,998	9,346	1,245	15	3,844	-	-	-	-	-	
2014	26,301	7,911	3,378	2	-	-	-	0	0	-	
2015	7,646	109,700	2,111	2,333	265	-	198	0	-	-	
2016	4,790	23,419	16,389	269	7,446	2258	-	-	-	-	
2017	39,630	54,776	4,369	1,422	1955	40	-	-	-	-	
2018	78,342	10,912	1,327	423	-	-	-	-	-	-	
2019	6,544	12,328	507	1,252	-	-	-	-	-	-	
2020	2,143	8088	1181	-	-	-	-	-	-	-	
2021	4,812	14,853	-	-	-	-	-	-	-	-	
2022	3,409	-	-	-	-	-	-	-	-	-	

Engineering Class paid claim amounts (NGN'000) allowing for inflation to 2022 money terms

Incremental Claim Amounts(NGN'000) Paid for Engineering Class by Development Year											
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2012	17,016	1,042,583	276	6,872	3,136	-	-	-	-	-	
2013	23,204	28,655	3,504	37	8,120	-	-	-	-	-	
2014	80,639	22,263	8,342	4	-	-	-	255	-	-	
2015	21,517	270,914	4,459	4,334	440	-	-	-	-	-	
2016	11,829	49,468	30,442	448	11,018	2,904	-	-	-	-	
2017	83,710	101,746	7,263	2,104	2,514	43	-	-	-	-	
2018	145,519	18,139	1,964	543	-	-	-	-	-	-	
2019	10,878	18,244	652	1,365	-	-	-	-	-	-	
2020	3,171	10,400	1,288	-	-	-	-	-	-	-	
2021	6,188	16,196	-	-	-	-	-	-	-	-	
2022	3,717	-	-	-	-	-	-	-			
								-			

Key Results: Reserves Large Losses for and Engineering Class

Accident Year	Exposure/Earned Premium (N)	Latest Paid Large Loss Amounts (N)	O/s Reported Large Loss Reserves	Inflation Adjusted Large losses	No. of Large Losses	Claim Frequency	Average Paid Cost (N)	Ult Average Cost	Ultimate Freq	Ultimate Paid Amounts (N)	Large Loss Reserves (N)	Discounted value NGN'000
2012	122,691	-	-	-	-	0.00000%	-	-	-	-	-	
2013	367,601	-	-	-	-	0.00000%	-	-	-	-	-	
2014	314,254	-	-	-	-	0.00000%	-	-	-	-	-	
2015	261,565	-	-	-	-	0.00000%	-	-	-	-	-	
2016	238,366	-	-	-	-	0.00000%	-	-	-	-	-	
2017	293,193	-	-	-	-	0.00000%	-	-	-	-	-	
2018	516,450	-	-	-	-	0.00000%	-	-	-	-	-	
2019	296,535	-	30,198	34,958	2	0.00067%	-	17,479	0.00078%	40,582	40,582	
2020	164,322	0	-	-	0	0.00000%	0	0	-	0	-	
2021	169,694	22,602	-	-	2	0.00118%	11,301	11,301	0.00118%	22,602.00	-	
2022	282,931	7,688	-	-	1	0.00035%	7,688	7,688	0.00035%	7,688.00	-	
Total	**3,027,602**	**30,290**	**30,198**	**34,958**	**5**	**0**	**18,989**	**36,468**	**0**	**70,872**	**40,582**	
												35,618

Expected Loss Ratio Method: Illustration of Gross Claim Reserving – Oil and Gas

Accident Year	Gross Earned Premium (N'000)	Claims Paid till date (N'000)	Total O/s as at 31 Dec 2021 (N'000)	Inflation Adjusted loss (NGN'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/s Claim Reserves (N'000)
2012	593,488	14,710			14,710	2.5%	2.5%	14,710	-
2013	740,564	115,964			115,964	15.7%	15.7%	115,964	-
2014	1,027,446	123,541			123,541	12.0%	12.0%	123,541	-
2015	1,134,888	2,219			2,219	0.2%	0.2%	2,219	-
2016	1,044,042	319,649	1470	3952	323,601	30.0%	31.0%	323,716	4,066
2017	1,170,381	395,642	0	0	395,642	33.8%	33.8%	395,642	0
2018	949,530	79,246	3,955	7,778	87,025	9.2%	9.3%	88,164	8,918
2019	535,636	80,721	8,925	15,659	96,380	18.0%	18.5%	99,058	18,337
2020	446,092	3,844	22,500	35,436	39,280	8.8%	8.9%	39,793	35,949
2021	23,643	9012	29,639	41,217	50,230	212.4%	213.4%	50,466	41,454
2022	1,245,009	378	10,394	10,394	10,772	0.9%	2.1%	25,712	25,334
Total	**8,910,719**	**1,144,926**	**76,883**	**114,436**	**1,259,364**			**1,253,273**	**134,058**
								NPV	**116,023**

IBNR by Accident Year

MOTOR

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	286	271	15
2020	3,862	3,372	490
2021	56,420	46,402	10,018
2022	56,420	46,402	10,018
Total	**60,568**	**50,045**	**10,523**

MARINE

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	473	458	15
2018	903	818	85
2019	2,957	2,548	409
2020	5,574	4,190	1384
2021	104,556	74,142	30414
2022	104,556	74,142	30414
Total	**114,463**	**82,156**	**32,307**

GENERAL ACCIDENT

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2006			-
2007			-
2008	-		-
2009	-		-
2010	-		-
2011	-		-
2012	-		-
2013	174	51	123
2014	1,824	1,025	799
2015	319	-	319
2016	452	149	303
2017	7,508	6,785	723
2018	32,566	12,446	20,120
2019	26,289	15,073	11,216
2020	74,692	59,210	15,481
2021	42,590	29,126	13,464
2022	42,590	29,126	13,464
Total	**229,004**	**152,991**	**76,012**

FIRE

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	754	550	204
2018	6,286	4,283	2003
2019	15,494	14,967	527
2020	430,927	380,097	50,830
2021	171,487	40,335	131,153
2021	171,487	40,335	131,153
Total	**796,435**	**480,567**	**315,870**

OIL & GAS

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015			
2016			
2017	35,707	22,266	13,441
2018	175,337	122,824	52,512
2019	18,304	14,125	4,179
2020	28,258	20,088	8,170
2021	31,401	30,639	762
2022	31,401	30,639	762
Total	**320,408**	**240,581**	**79,826**

BOND

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019		-	
2020	516	-	516
2021	11,147		11,147
2022	11,147		11,147
Total	**22,810**	**0**	**22,810**

AGRICULTURE

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	85	70	15
2021	515,435	260721	254,714
2022	515,435	260721	254,714
Total	**1,030,955**	**521512**	**509,443**

AVIATION

Accident Year	Estimated Claims Reserves	Outstanding Claims	IBNR
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013			
2014			
2015	5,355	2,819	2,536
2016	1,460	843	618
2017	7,872	5,338	2,535
2018	5,429	4,144	1,284
2019	9,236	7,607	1,629
2020	18,380	17,380	1,000
2021	21,332	7,501	13,831
2022	21,332	7,501	13,831
Total	**69,065**	**45,632**	**23,432**

UNDERWRITING REVENUE ACCOUNT
for the period ended 31 December 2022

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	AGRIC	December 2022	December 2021
INCOME	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct premium	896,082	448,620	135,630	600,760	1,744,831	271,105	456,838	654	(247,061)	**4,307,458**	**5,987,397**
Inward premium	40,411	2,361	5,132	2,790	-	517	10,841	-	63	**62,115**	**67,955**
Gross premium written	**936,494**	**450,981**	**140,761**	**603,550**	**1,744,831**	**271,622**	**467,679**	**654**	**(246,998)**	**4,369,573**	**6,055,352**
(Increase)/Decrease in provision for unexpired risks	102,799	(6,152)	167,996	(67,778)	(356,363)	14,975	(130,996)	17,655	832,904	**575,040**	**(523,040)**
Gross premium earned	**1,039,293**	**444,829**	**308,757**	**535,772**	**1,388,468**	**286,597**	**336,683**	**18,309**	**585,905**	**4,944,613**	**5,532,312**
Outward premium	(255,821)	(165,354)	(44,821)	(59,028)	(759,033)	(106,384)	(101,207)	(300)	(388,716)	**(1,880,665)**	**(2,507,299)**
Prepaid reinsurance	(84,178)	(29,725)	(165,694)	(12,312)	(790)	(13,204)	(18,964)	(866)	(39,111)	**(364,844)**	**(260,541)**
Net Premium earned	**699,294**	**249,750**	**98,242**	**464,432**	**628,646**	**167,009**	**216,511**	**17,143**	**158,078**	**2,699,104**	**2,764,473**
Commission Received	58,949	48,229	10,865	7,759	-	1,936	24,793	-	61,153	**213,684**	**491,209**
TOTAL OPERATING INCOME	**758,243**	**297,978**	**109,107**	**472,190**	**628,646**	**168,945**	**241,304**	**17,143**	**219,231**	**2,912,788**	**3,255,682**
Claims Expenses											
Gross claims paid	(529,321)	(81,693)	(30,060)	(150,556)	(34,621)	(55,742)	(50,238)	-	(390,693)	**(1,322,925)**	**(2,694,452)**
Increase/(Decrease) in provision for outstanding claims	251,117	(25,457)	12,960	35,358	128,140	(2,760)	11,734	804	151,693	**563,589**	**(773,572)**
Gross claims incurred	**(278,204)**	**(107,150)**	**(17,100)**	**(115,198)**	**93,519**	**(58,502)**	**(38,504)**	**804**	**(239,000)**	**(759,335)**	**(3,468,025)**
Reinsurance claims recoveries	(44,876)	(38,067)	(14,645)	49,960	(47,873)	(12,020)	(37,345)	(3,245)	191,114	43,004	**2,230,542**
Net claims incurred	**(323,080)**	**(145,217)**	**(31,745)**	**(65,238)**	**45,645**	**(70,522)**	**(75,849)**	**(2,441)**	**(47,886)**	**(716,332)**	**(1,237,483)**
Underwriting Expenses											
Acquisition cost	(184,220)	(66,571)	(25,707)	(84,377)	(257,692)	(53,176)	(91,759)	(146)	(162,303)	**(925,952)**	**(1,013,695)**
Movement in deferred Acquisition cost	18,404	5,557	(30,858)	13,602	97,962	(2,088)	37,757	37	(82,420)	**57,953**	**167,256**
Acquisition & maintenance costs less deferred cost	**(165,816)**	**(61,015)**	**(56,565)**	**(70,775)**	**(159,730)**	**(55,264)**	**(54,002)**	**(109)**	**(244,724)**	**(867,999)**	**(846,439)**
TOTAL DIRECT EXPENSES	**(488,896)**	**(206,232)**	**(88,310)**	**(136,013)**	**(114,084)**	**(125,786)**	**(129,850)**	**(2,550)**	**(292,609)**	**(1,584,331)**	**(2,083,922)**
UNDERWRITING PROFIT:											
2022	**269,347**	**91,747**	**20,798**	**336,177**	**514,561**	**43,159**	**111,454**	**14,593**	**(73,378)**	**1,328,457**	**1,171,760**
2021	**(66,634)**	**152,970**	**64,900**	**296,834**	**248,474**	**140,089**	**98,174**	**17,487**	**219,466**	**1,171,760**	

Value Added Statement

	Group 31-Dec-22	%	Group 31-Dec-21	%	Company 31-Dec-22	%	Company 31-Dec-21	%
Gross premium income	5,245,202		5,795,909		4,944,613		5,532,311	
Investment Income	2,238,007		1,600,227		406,377		235,772	
Other income	657,794		697,642		438,220		630,922	
Reinsurance claims, commission and operating expenses	(5,667,496)		(6,264,894)		(4,805,087)		(5,552,288)	
Value added	**2,473,507**	**100**	**1,828,882**	**100**	**984,122**	**100**	**846,718**	**100**
Applied to pay								
Staff cost	1,465,159	59	1,309,780	72	658,841	67	644,703	76
Government as tax	96,925	4	93,051	5	27,627	3	36.911	4
To provider finance			-279					
Shareholders as dividend								
Retained in the business								
Deferred Tax	(26,685)	(1)	(319,000)	(17)	-	-	21,746	3
Depreciation and amortisation	244,832	10	240,028	12	106,339	11	120,305	14
Retained profit for the year	693,277	28	570,363	28	191,315	19	23,053	3
	2,473,507	**100**	**1,828,882**	**100**	**984,122**	**100**	**846,718**	**100**

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Group **2022** **N'000**	Group **2021** **N'000**	Group **2020** **N'000**	Group **2019** **N'000**	Group **2018** **N'000**
ASSETS					
Cash and cash equivalents	4,408,793	5,891,133	4,242,485	4,372,408	4,549,657
Financial assets	5,352,799	3,158,089	3,620,755	1,906,676	788,376
Trade receivables	738,347	119,564	83,679	-	-
Reinsurance assets	728,481	1,115,859	1,025,756	389,960	643,363
Deferred acquisition cost	344,588	286,636	119,379	107,340	161,294
Other receivables and prepayments	535,433	422,448	320,803	425,574	548,071
Investment in subsidiaries	-	-	-	-	-
Investment in associates	-	-	-	-	-
Investment properties	45,000	45,000	289,439	412,111	880,201
Goodwill	316,884	316,884	316,884	316,884	386,444
Intangible assets- Software	68,114	102,297	49,900	72,567	77,450
Property, plant and equipment	4,556,848	4,729,375	3,790,533	3,736,923	3,654,376
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	60,854	22,293	7,316	8,486	-
Total assets	**17,511,141**	**16,564,578**	**14,221,929**	**12,103,930**	**12,044,232**
LIABILITIES					
Insurance contract liabilities	3,277,229	4,152,250	2,856,017	2,012,465	2,331,582
Trade payables	548,733	488,190	686,297	229,840	115,467
Employees retirement benefit obligations	22,187	17,024	14,724	11,246	9,581
Provision and other payables	866,796	996,710	741,696	651,833	530,176
Income tax liabilities	109,064	86,652	94,458	80,306	93,994
Deferred tax liabilities	27,459	20,741	324,764	554,978	607,046
		-	-	-	-
Total liabilities	**4,851,468**	**5,761,567**	**4,717,956**	**3,540,669**	**3,687,846**
EQUITY					
Issued and paid-up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,434,593	1,303,505	1,121,845	939,949	851,335
Retained earnings	(777,903)	(1,236,052)	(1,559,692)	(2,262,822)	(2,358,811)
Asset revaluation reserve	2,572,254	2,509,957	1,809,597	1,809,964	1,773,780
Fair value reserve	(53,586)	(60,112)	40,924	40,213	34,501
Non-Controlling interest (NCI)	1,887,382	688,780	494,365	439,024	458,648
Shareholders fund	**12,659,674**	**10,803,012**	**9,503,972**	**8,563,261**	**8,356,386**
TOTAL LIABILITIES AND EQUITY	**17,511,142**	**16,564,579**	**14,221,928**	**12,103,929**	**12,044,232**

Gross premium written	4,670,162	6,318,949	6,265,636	3,076,332	3,333,642
Underwriting Profit (Loss)	1,451,672	1,282,447	1,292,064	1,105,697	896,749
Profit(loss) before taxation.	763,517	344,414	844,022	214,375	(262,881)
Taxation	(70,240)	225,949	96,623	(49,116)	(432,371)

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	Company 2022	Company 2021	Company 2020	Company 2019	Company 2018
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	2,337,933	3,834,178	3,375,996	3,659,345	3,981,106
Financial assets	1,641,740	1,479,839	3,003,027	1,303,071	87,435
Trade receivables	738,347	119,564	83,679	-	-
Reinsurance assets	728,481	1,115,859	1,025,756	389,960	643,363
Deferred acquisition cost	344,588	286,636	119,379	107,340	161,294
Other receivables and prepayments	197,155	220,975	213,113	409,596	596,921
Investment in subsidiaries	4,026,300	3,624,860	1,576,300	1,576,300	1,576,300
Investment in associates	-		-	-	-
Investment properties	45,000	45,000	289,439	412,111	880,201
Intangible asset	48,161	69,901	25,299	40,253	47,606
Property, plant and equipment	3,495,489	3,377,451	2,990,799	2,893,407	2,730,955
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	21,746	21,745			
Total assets	**13,979,939**	**14,551,008**	**13,057,786**	**11,146,383**	**11,060,181**
LIABILITIES					
Insurance contract liabilities	3,261,317	4,146,106	2,849,493	2,007,596	2,330,632
Trade payables	548,733	488,190	686,295	229,840	115,467
Employees retirement benefit obligations	0	-	-	-	-
Provision and other payables	488,845	572,864	488,717	377,934	274,051
Income tax liabilities	34,807	23,542	30,969	40,923	56,815
Deferred tax liabilities	0	0	310,094	542,136	501,814
Total liabilities	**4,333,702**	**5,230,702**	**4,365,569**	**3,198,429**	**3,278,778**
EQUITY					
Issued and paid-up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,434,593	1,303,505	1,121,845	939,949	851,335
Retained earnings	(1,671,493)	(1,731,721)	(1,881,304)	(2,440,338)	(2,475,146)
Asset revaluation reserve	2,333,468	2,208,012	1,809,597	1,809,964	1,773,780
Fair value reserve	(47,264)	(56,423)	45,146	41,446	34,501
Shareholders fund	**9,646,238**	**9,320,306**	**8,692,217**	**7,947,954**	**7,781,403**
TOTAL LIABILITIES AND EQUITY	**13,979,939**	**14,551,008**	**13,057,786**	**11,146,383**	**11,060,181**

Gross premium written	4,369,573	6,055,352	6,063,203	2,953,792	3,238,769
Underwriting Profit (Loss)	1,328,455	1,171,758	1,203,657	1,076,778	873,154
Profit(loss) before taxation.	218,942	36,314	596,429	253,949	(50,782)
Taxation	(27,627)	294,928	144,501	(130,527)	(272,513)
Profit(loss) after taxation	**191,315**	**331,242**	**740,930**	**123,422**	**(323,295)**