

INTERNATIONAL ENERGY INSURANCE PLC

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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Corporate Information

Directors	Mr. Buka Goni Aji, OON, CFR Mr. Olasupo Sogelola Mr. Majeed Shogo Mr. Anthony Edeh Alhaji Mohammed N. Mijindadi Dr. Chamberlain S. Peterside, Ph.D. Dr. Adeyinka Hassan, Ph.D. Mr. Oluwateniola O. Eleoramo Mrs. Monsurat Ayoola	Chairman Managing Director/CEO Executive Director - Appointed - 02/01/23 & Resigned 03/08/23 Non-Executive Director Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director - Resigned wef 11/05/23
Company Secretary	H. Michael & Co No. 16, Biaduo Street Southwest Ikoyi, Lagos	
Registered Office	FF Towers, 13/14, Ligali Ayorinde Street, Victoria Island, Lagos	
RC No	6126	
Solicitors	Bayo Osipitan & Co. 2A Ireti Street Off Thorburn Avenue, Yaba Solola & Akpana 3B, Tokunbo Omisore Street, Off Wole Olateju, Lekki Phase 1, Lagos	
Auditors	Doyin Owolabi & Co. (Chartered Accountants) FRC/2013/ICAN/0000000101 14, Falolu Street, Surulere, Lagos.	
Bankers	Keystone Bank Limited United Bank for Africa Plc. Zenith Bank Plc. First Bank of Nigeria Access Bank Plc. GT Bank Plc. Wema Bank Plc. Fidelity Bank Plc.	
Actuaries	Wayne van Jaarsveld (FIA FASSA) FRC/2022/002/00000024507 Alexander Forbes Nigeria Limited P.O. Box 74858, 3rd Floor, Lennox Mall Block 10 Plot 283, Admiralty Way, Lekki 1, Lagos	

Financial Highlights

For the year ended 31 December 2023

Major statement of financial position items

In thousands of naira

	31-Dec-23	31-Dec-22	Changes	%
Total assets	16,713,283	14,673,222	2,040,061	14
Insurance contract liabilities	5,061,377	4,318,048	743,329	17
Total equity	(6,050,578)	(11,790,175)	5,739,597	(49)

Major statement of profit or loss items

Insurance service result	2,982,238	400,624	2,581,614	644
Total investment income	198,869	718,852	(519,983)	(72)
Net insurance and investment income	3,170,802	1,110,469	2,060,332	186
Profit before taxation	5,773,378	241,572	5,531,806	2290
Tax expense	(197,100)	(8,671)	(188,429)	2173
Profit for the year	5,576,278	232,901	5,343,377	2294
Earnings per share	434.26	18.14	416	2294
Basic and diluted earnings/ (loss) per share	434.26	18.14	416	2294

Shareholding Structure and Free float Status

For the year ended 31 December 2023

Description	31-Dec-23		31-Dec-22	
	Units	Percentage (in relation to Issued Share Capital)	Units	Percentage (in relation to Issued Share Capital)
Substantiated Shareholding (5% & above)				
NORREMBERGER ADVISORY PARTNERS	649,873,013.00	50.61%	649,873,013.00	50.61%
Substantial Shareholding	649,873,013	50.61%	649,873,013	50.61%
Directors Shareholding (Direct & Indirect), Excluding directors with Substantial interests				
MS. IBIYEMI ADEYINKA(BRIDGET)	-	0.00%	38,888	0.0000%
Total Directors' Shareholding	-	0.00%	38,888	0.00%
Details of Other influential shareholdings, if any (E.g. Government, Promoters)				
		0.00%	-	0.00%
Total of Other Influential Shareholdings			-	0.00%
Free Float in Units and percentage	634,192,476	49.39%	634,153,588	49.39%
Total	1,284,065,489	100%	1,284,065,489	100%
Free Float in value	N881,527,541.64k		N240,978,362.44k	

Declaration

- A) IEI Plc has a free float of N881,527,541.64k as at 31 DEC '23
B) IEI Plc has a free float of N240,978,362.44k as at 31 DEC '22

Declaration:

- (A) International Energy Insurance Plc with a free float percentage of 49.30% as at 31st December 2023, is compliant with The Exchange's Free Float requirements for companies listed on the Main Board.
(B) International Energy Insurance Plc with a free float value of f N240,978,362.64k as at 31st December 2022, is compliant with The Exchange's Free Float requirements for companies listed on the Main Board

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) International Energy Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorised as insiders as to their dealings in the company's securities. The policy is periodically reviewed by the Board and updated. The Company has made specific inquiries to all its director and other insiders and is not ware of any infringement of the policy during the period under review.

Directors' Report

For the year ended 31 December 2023

The Directors present their annual report on the affairs of International Energy Plc ("The Company") together with the Company Audited Financial Statements and the Auditors' Report for the year ended December 31, 2023.

Principal activities and Business review

The principal activities of International Energy Insurance Plc are the provision of general business risk underwriting and related financial services to corporate and retail customers.

Operating results:

The following is a summary of the Company's operating results:

<i>In thousands of naira</i>	<u>2023</u>	<u>2022</u>
Profit/(loss) before income tax expense	5,773,378	241,572
Income tax expense	(197,100)	(8,671)
Profit/(loss) for the year	5,576,278	232,901
Other comprehensive income for the year, net of tax	163,319	(166,708)
Total comprehensive income/(loss) for the year	5,739,596	66,193

Board of Directors

The following are members of the Board of Directors who held office during the year and at the date of this report, these directors were:

Mr. Buka Goni Aji, OON, CFR	Chairman
Mr. Olasupo Sogelola	Managing Director/CEO
Mr. Majeed Shogo	Executive Director (Appointed - 02/01/23 and Resigned - 03/08/23)
Mr. Anthony Edeh	Non-Executive Director
Alhaji Mohammed N. Mijindadi	Non-Executive Director
Dr. Chamberlain S. Peterside, Ph.D.	Independent Non-Executive Director
Dr. Adeyinka Hassan, Ph.D.	Non-Executive Director
Mr. Oluwateniola O. Eleoramo	Non-Executive Director
Mrs. Monsurat Ayoola	Non-Executive Director - Resigned wef 11/05/23

Directors' interest in contracts

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, CAP C20 Laws of the Federation of Nigeria, none of the Directors has notified the Company of any declarable interest in contracts during the year.

Directors' interest in shares

The Directors had no interest in, nor held shares in the Company.

Agents and Brokers

The Company maintains a network of licensed agents. The Company also renders services directly to its customers as well as through a varied network of brokers who are licensed by the National Insurance Commission (NAICOM) contracts during the year.

Directors' Report (Continued)

Complaints Management Policy Framework

Complaint Management Policy has been prepared in compliance with the requirement of the Nigerian Capital Market (SEC Rules) issued by the Securities & Exchange Commission and the Nigerian Stock Exchange Directives (the NSE Directives) as well as in recognition of the importance of effective engagement in promoting shareholders/investors' confidence in the Company and the capital market.

Reinsurance

The Company had reinsurance treaty arrangements with the following companies during the year:

African Reinsurance Corporation	Continental Reinsurance Plc.
WAICA Reinsurance Corporation Plc.	Nigerian Reinsurance Corporation
CICA Reinsurance Company	PTA/ZEP Reinsurance Company
NCA Reinsurance Company	

Post balance sheet events

There has been no material change in the Company's financial position since 31st December, 2023 that would have affected the true and fair view of the Company's state of affairs as at that date.

Property and Equipment

Investment in property and equipment during the year is limited to the amounts shown in the financial statements. In the opinion of the directors, the market value of property and equipment is not less than the value indicated in the financial statements.

Research and Development

The Company is not involved in any research and development activities.

Employment and Employees:

Employment of disabled persons

The Company believes in giving full and fair consideration to all current and prospective staff. No disabled person (2022: Nil) is currently employed by The Company. There are procedures in respect for those employees who became disabled, to be assigned duties that are commensurate to their disabilities.

Employees' Involvement and Training

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress. Views of employees are sought, where practicable, on matters which particularly affect them as employees. The Company runs an open door management policy. Management, professional and technical expertise are the Company's major assets and investment in developing such skills is continuous. The Company's expanding skills base is being brought about by a wide range of in-house and external training. Opportunities for career development within the Company have also been broadened. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include staff retirement benefit, productivity bonus, promotion and salary review.

Directors' Report - Continued

Employees' health, safety and environment

The Company places a high premium on the health and welfare of its employees. Medical facilities are provided for the staff and their families at private hospitals retained within the respective localities of the staff residence through Company's appointed Health Management Organizations (HMO). Firefighting equipment has also been installed in strategic positions within the offices of The Company. The Company incurred a sum of N7.654 million (2022: of N7.093 million) in providing such medical benefits during the year.

Dividend

The Directors do not recommend payment of any dividend for the year ended December 31, 2023 (2022: Nil).

Donations

Donations during the year ended 31 December, 2023 amounted to ₦935,000 (2022: ₦250,000) as follows:

<i>In thousands of naira</i>	<u>Amount</u>
Nile University	200
National Housing Show	85
University of Nigeria Nsukka	200
NIESV LAGOS STATE BRANCH	250
Professional Insurance Ladies Association	100
Nigeria Association of Insurance and Pension Edition	100
	<u>935</u>

Auditors

Messrs. Doyin Owolabi & Co. (Chartered Accountants) have indicated their willingness to continue in office as auditors to the Company and have therefore been re-appointed in accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria.

BY THE ORDER OF THE BOARD OF DIRECTORS



Anthony Uzodinma Edeh
Non-Executive Director
FRC/2015/PRO/FORM C07/003/00000012821
Lagos, Nigeria

Date: 6th May 2024

Management Discussion and Analysis

For the year ended 31 December 2023

Management objectives

This Management Discussion and Analysis ("MD & A") is designed to provide the readers with an overview of the Company's profile, business strategies, performance update and its forward-looking statements.

The Management Discussion and Analysis has been prepared as at 31 December 2023 and should be read in conjunction with the audited financial statements and the related notes to the audited financial statements.

International Energy Insurance Plc is a registered Company incorporated in Nigeria and its major business activities are provision of Insurance risk underwriting to Public Sector, corporate and individuals customers in Nigeria. The Company is also established and run in such a way that it will become one of the major operators in the Insurance Industry in Nigeria with future outlook to expand and to diversify its business.

Management focus in the period to come is to adopt initiatives and actions that will guarantee the growth of the Company including introducing additional capital necessary to reposition the Company

Business Strategy of the Company and Overall Performance

IEI Plc is running a (5) five year strategic cycle plan from 2023 - 2027. Our ambition is to be a major key player in the Insurance Industry in Nigeria, focusing on more revenue generation and market share within the corporate and retail market segments. We would pay more attention to improving Operational Efficiency to deliver quality service, Simple and unique customer experience across all selling points. We will seek to maintain best practice in business ethics. Our Brokers remain our biggest partners, we would strive to strengthen our relationships with them. We will continue to grow the market by pursuing new customer segments and distribution channels. We can only serve these new segments by understanding the customer and coming up with innovative products that meet their needs, that is within their budget and easily accessible. We believe that the Retail and Travel Insurance segments will deliver the next phase of our growth. We would work towards driving insurance uptake by segment by becoming the Insurer they think of in moments that matter.

Financial performance

The following is a summary of the Company's operating results:

<i>In thousands of naira</i>	<u>2023</u>	<u>2022</u>	<u>Changes</u>	<u>%</u>
Insurance Revenue	2,718,177	758,907	1,959,270	258
Insurance Service Result	2,982,238	400,624	2,581,614	644
Net Investment Income	198,869	718,852	(519,983)	(72)
Other Income	886,800	28,416	858,384	3,021
Operating expenses including employee benefit expenses	(1,690,454)	(453,524)	(1,236,930)	273
Profit before tax	5,773,378	241,572	5,531,806	2,290
Earnings per share in kobo	434	18	416	2,294

The Company reported profit of 6.5billion for the year ended 31st December 2023 compared to the loss of N349Million experienced in the prior year 2022 and Insurance Revenue grew by 258% compared to that of 2022.

Management Discussion and Analysis (Continued)

The Company reported an insurance result at the end of the year amounted to an underwriting profit of N4.03Billion compare to an underwriting loss of N61Million reported during the year ended 31 December 2022.

Operating expenses for the year totalled N2.4Billion (December 2022: N899Million), representing 169% increase when compared to prior year expense. The Company has continued to put structures in place to ensure costs incurred are optimised and value created.

Forward Looking Statements

The Management Discussion and Analysis contains factual statements relating to International Energy Insurance Plc's financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. These statement reflect management's current belief and are based on information available to International Energy Insurance Plc and are subject to certain risk, uncertainties and assumptions.

Some aspects of the statement above relate to the Company's future outlook. Reference to the Company's or Management's budget, estimates, expectations, forecasts, predictions or projections constitute aspect of the "forward looking statements". Such statements may also be deduced from the use of conditional or forward-looking terminologies including but not limited to words such as "anticipates", "believes", "estimates", "expects". "may", "plans", "projects", "should", "will", or the adverse varliants of such which appear within the body of this document.

Many factors and assumptions may affect the manifestation of the Company's projections, including, but not limited to, production rate, claims rate, employee turnover, relationships with brokers, agents and suppliers, economic and political conditions, non-compliance with laws or regulations by the Company's employees, brokers, agents, suppliers, and/or partners, and other factors that are beyond its control.

Without prejudice to the Company, such forward looking statements reflect Management's current belief and are based on available information which are subject to risks and uncertainties as identified. Therefore, the eventual action and /or outcome could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

The forward-looking statements in this document reflect the Company's expectations at the time the Company's Board of Directors approved this document, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

Corporate Governance Report

The Board of Directors of International Energy Insurance Plc recognizes that it has the primary responsibility of ensuring good governance, ethics, probity, and professionalism. We continue to be transparent in our business transactions through compliance with ethics and statutory provisions and laws relating to the insurance business to achieve our corporate objectives.

The Company, through the Board, continued to work consistently at ensuring compliance and explaining circumstances through our corporate governance reporting platform to the Regulators

IEI operates its business within the framework of appropriate rules and regulations under which it was incorporated, as well as global best practices, corporate governance codes and guidelines released by relevant regulatory authorities such as the National Insurance Commission, the Financial Reporting Council of Nigeria, the Nigerian Exchange Group, the Securities and Exchange Commission, and the Corporate Affairs Commission.

Best practices principles have been an integral part of how we now conduct our business affirming our belief that good corporate governance is a means of retaining and expanding our clientele, sustaining the viability of the business in the long term, and maintaining the confidence of investors. IEI believes that the attainment of its business objectives is, among others, directly aligned with good corporate behaviour as it provides stability and growth to the enterprise. In line with this objective and the need to meet its responsibility to its stakeholders, the Company strives to meet the expectations of its operating environment. That is why we have continued to challenge ourselves and reinvent our processes to effectively tackle the unfolding challenges and exploit emerging opportunities.

The Company recently embarked on a strategic acquisition that led to the acquisition of 50.60% of its shares by Norrenberger Advisory Partners Limited. Since the acquisition, the Company has taken expansion steps towards achieving its strategic objectives, the process, people, and product initiatives of the new investors are beginning to yield positive progress for the Company. The Executive Management of the Company has been orchestrated with strategic hires. The Board comprises astute business executives poised towards helping the Company achieve its strategic objectives. Since the acquisition of the shares of the Company, the Company has started to grow with an increase in its premium collections and improved perception of the public. The share value of the Company has improved with upward profitability and improved market share

The Company has further strengthened its systems of internal control and risk management to safeguard the interests of all the stakeholders in the business. As indicated in the statement of responsibility of Directors and notes to the Financial Statements, IEI adopts standard accounting practices to engender transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

ETHICAL STANDARDS

The leadership of the Board continues to provide ethical leadership where every process of operations is subject to due process and ethical conduct. To maintain a high ethical standard for the conduct of its business, IEI ensures that each director and employee discloses to the board his/her interest in any other company within the insurance industry and in a position where their self-interest conflict with their duty to act in the best interest of the Company. Various policies have been put in place to advance the drive to work in line with the principles and ethics of good governance across the Board.

CORPORATE STRUCTURE

Shareholders Meeting

The Company in the actualization of its corporate governance objectives recognizes its shareholders as the highest decision-making body in line with the provisions of its Memorandum and Articles of Association. The Annual General Meeting of the Company by statutory requirement is to be held once a year. An Extra-Ordinary General Meeting of the Company may be convened at the behest of the Board or shareholders holding not less than 10% of the Company's paid-up capital. Attendance at these meetings is open to shareholders and/or their proxies and sufficient notice is given to ensure maximum attendance of the shareholders.

The Board of Directors of International Energy Insurance Plc has overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Company. The following structures have been put in place for the execution of corporate governance strategy:

- (1) Board of Directors
- (2) Board of Committees
- (3) Management and;
- (4) Consultants (where necessary)

BOARD OF DIRECTORS

During the period under review, the Board met to set policies for the operations of the Company and ensured that it maintained a professional relationship with the Company's Auditors to promote transparency in financial and nonfinancial reporting.

The Board met five (5) times within the year under review. Within the same period, its Statutory Audit Committee met six (6) times. The Board Members are:

1	Mr. Buka Goni Aji, OON, CFR	Chairman
2	Mr. Anthony Edeh	Non-Executive Director
3	Alhaji Mohammed N. Mijindadi	Non-Executive Director
4	Dr. Chamberlain S. Peterside, PhD.	Non-Executive Independent Director
5	Dr. Adeyinka Hassan, PhD.	Non-Executive Director
6	Mr. Oluwateniola O. Eleoramo	Non-Executive Director
7	Mrs. Monsurat Ayoola	Non-Executive Director - Resigned wef. 11-05-23
8	Mr. Olasupo Sogelola	Managing Director/CEO
9	Mr. Majeed Shoqo	Executive Director - Appointed - 02/01/23 & Resigned wef 03/08/23
10	H. Michael & Co	Company Secretary

ROLES OF CHAIRMAN AND MANAGING DIRECTOR

The manner in which the Company structured the roles of the Chairman, and the Managing Director has assisted in averting overlaps of roles and effectiveness of governance. This is done in accordance with NAICOM guidelines on the Code of Corporate Governance for the Insurance Industry and the Nigerian Code of Corporate Governance 2018.

Corporate Governance Report (Continued)

The Chairman has the primary responsibility of ensuring that the board carries out its governance role in the most effective manner. He is responsible for the overall leadership of the board and for creating an enabling environment for the effectiveness of individual directors. The Managing Director is responsible for the day-to-day running of the Company to achieve overall efficiency of management. He has responsibilities for developing, implementing, and monitoring the strategic and financial plans of the Company in the most effective manner.

ROLES OF THE BOARD

- Establish corporate strategies, set performance indices, and monitor the implementation and performance.
- Review alignment of goals, major plans of action and annual budget.
- Ensure the integrity of the Company's accounting and financial reporting systems (including the independent audit) and that appropriate systems are in place for monitoring risks, financial control and compliance with the law.
- Formulate risk strategies and make decisions on business acquisitions and expansions/investments into foreign markets
- Ensure that the interests of the stakeholders are balanced.
- Ensure that the Company's operations are in accordance with high business and ethical standards.

The Board meets regularly to review financial performance and reports on the contribution of the various business units to the overall performance of the company as well as to consider other matters. Adequate advance notice of the meeting, the agenda, and reports to be considered are circulated to members. Emergency meetings are convened as and when the need arises.

DIRECTORS' ATTENDANCE

In accordance with Section 284(2) of the Companies and Allied Matters Act 2020, the record of the Directors' attendance at Directors and Committee meetings during the year under review is as shown below.

The Board met five (5) times during the year under review as shown below.

A The BOARD

S/N	DATE OF MEETINGS	ALH. BUKAR GONI AJI, OON, CFR (CHAIRMAN)	MR. ANTHONY EDEH (MEMBER)	DR. CHAMBERLAIN PETERSIDE, PhD (MEMBER)	DR. HASSAN ADEYINKA, PhD (MEMBER)	MRS. MONSURAT IYABODE AYOOLA (MEMBER)	ALH. MOHAMMED MIJINDADI (MEMBER)	MR. OLUWATENIOLA OMOGBENGA (MEMBER)	MR. OLASUPO SOGELOLA (MEMBER)	MR. MAJEED SHOGO (MEMBER)
1	14-Feb-23	✓	✓	✓	✓	✓	✓	Absent	✓	✓
2	25-May-23	✓	✓	✓	✓	Resigned wef 11-05-23	✓	✓	✓	✓
3	22-Aug-23	Absent	✓	✓	✓	Resigned wef 11-05-23	✓	✓	✓	✓
4	20-Oct-23	✓	✓	✓	✓	Resigned wef 11-05-23	✓	✓	✓	Resigned wef 03-08-23
5	19-Dec-23	✓	✓	✓	✓	Resigned wef 11-05-23	✓	✓	✓	Resigned wef 03-08-23

B BOARD MEETINGS

The Board carried out its oversight functions with the assistance of four Board Committees namely.

- 1 Statutory Audit and Compliance Committee
- 2 Finance, Investment & General-Purposes Committee
- 3 Enterprise Risk Management Committee
- 4 Nominations, Governance & Remuneration Committee

Corporate Governance Report

BOARD COMMITTEES

STATUTORY AUDIT & COMPLIANCE COMMITTEE

The purpose of the Committee is to assist the Board of Directors in carrying out its duties with regard to financial reporting and legal compliance.

In compliance with the provisions of Section 359 of the Companies and Allied Matters Act, Cap C20, LFN 2004, the Company had an Audit Committee comprised of two (2) Non-executive Directors and two (2) shareholders' representatives as follows:

i	Mr. Moses Igbrude	Chairman
iii	Mr. Anthony Edeh	Non-executive Director
iii	Dr. Chamberlain Peterside	Non-executive Independent Director
iv	Mr. Godwin Augustine Anono	Shareholders' representative
v	Mr. Oyinwola Mosunmo	Shareholders' representative

The Committee met six (6) times during the year under review as shown below.

S/N	DATE OF MEETINGS	MR. MOSES IGBRUDE CHAIRMAN	MR. ANTHONY EDEH MEMBER	DR. CHAMBERLAIN PETERSIDE, PhD MEMBER	CHIEF GODWIN ANONO MEMBER	MR. OYINWOLA MOSUNMOLA MEMBER
1	23-Feb-23	✓	✓	✓	✓	✓
2	08-May-23	✓	✓	✓	✓	✓
3	07-Aug-23	✓	✓	✓	✓	✓
4	25-Aug-23	✓	✓	✓	✓	✓
5	12-Oct-23	✓	✓	✓	✓	✓
6	12-Dec-23	✓	✓	✓	✓	✓

FINANCE, INVESTMENT & GENERAL PURPOSES COMMITTEE

The Purpose of the Committee is to provide a body to which the Board can delegate some of its investment decision-making powers to receive researched suggestions/advice that will facilitate the choice of the best investment options for the Company. Its purpose is also to assist the Board in its strategic and financial planning duties including advice on Key Performance Indicators, optimal funding structure, approval of capital expenditure and specific capital projects. The Committee will carry out oversight functions to ensure the effective utilization of the Company's financial resources in accordance with policies laid down by the Board and the law. The Committee will make recommendations to the Board on the company's investments. The Committee was expanded and reconstituted subsequent to the inauguration of the new Board, no meeting of the Committee was held within the year under review because of transition activities.

The members of the Committee are as follows:

i	Mr. Anthony Edeh	Chairman
ii	Mr. Olasupo Sogelola	Member
iii	Mr. Oluwateniola Eleoramo	Member

The Committee met four (4) times during the year under review as shown below.

S/N	DATE OF MEETINGS	MR. ANTHONY EDEH (CHAIRMAN)	MR. OLASUPO SOGELOLA MEMBER	MR. OLUWATENIOLA OMOGBENGA (MEMBER)
1	25-Jan-23	✓	✓	✓
2	10-May-23	✓	✓	✓
3	09-Aug-23	✓	✓	✓
4	16-Oct-23	✓	✓	✓

Corporate Governance Report

ENTERPRISE RISK MANAGEMENT COMMITTEE

The Committee has oversight function over the implementation of the Company's Enterprise Risk Management Framework, assessment of the non-financial risks inherent in the Company's operations and ensuring compliance with both regulatory provisions and directives and internally laid down policies.

The members of the Committee are as follows:

i	Dr. Adeyinka Hassan, PhD	Chairman
ii	Dr. Chamberlain Peterside, PhD	Member
iii	Alhaji Mohammed N. Mijindadi	Member
iv	Mrs. Monsurat Ayoola	Member (Resigned w.e.f. 11/05/2023)

The Committee met five (5) times during the year under review as shown below.

S/N	DATE OF MEETINGS	DR. HASSAN ADEYINKA, PhD (CHAIRMAN)	DR. CHAMBERLAIN PETERSIDE, PhD MEMBER	ALH. MOHAMMED MIJINDADI (MEMBER)	MRS. MONSURAT IYABODE AYOOLA (MEMBER)
1	02-Feb-23	✓	✓	✓	✓
2	11-May-23	✓	✓	✓	Resigned wef 11-05-23
3	11th & 17th Aug '23	✓	✓	✓	Resigned wef 11-05-23
4	13-Oct-23	✓	✓	✓	Resigned wef 11-05-23

NOMINATION, GOVERNANCE AND REMUNERATION COMMITTEE

The Directors are nominated to the Board Nomination, Governance and Remuneration Committee who make recommendations to the Board for further consideration and approval. In considering nominations for Board vacancies, the Board considers the materiality of the cognitive experience, qualifications, and expertise of the nominees for Board appointment. The Board further seeks the approval of the members at the general meeting for the appointment of Directors.

The members of the Committee are as follows:

i	Alhaji Mohammed N. Mijindadi	Chairman
ii	Mr. Anthony Edeh	Member
iii	Dr. Adeyinka Hassan, PhD	Member
iv	Mr. Oluwateniola Eleoramo	Member

The Committee met six (6) times during the year under review as shown below.

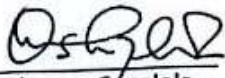
S/N	DATE OF MEETINGS	ALH. MOHAMMED MIJINDADI (CHAIRMAN)	MR. ANTHONY EDEH (MEMBER)	DR. HASSAN ADEYINKA, PhD (MEMBER)	MR OLUWATENIOLA OMOGBENGA (MEMBER)
1	27-Feb-23	✓	✓	✓	✓
2	18-May-23	✓	✓	✓	✓
3	11-Aug-23	✓	✓	✓	✓
4	25-Aug-23	✓	✓	✓	✓
5	16-Oct-23	✓	✓	✓	✓
6	15-Dec-23	✓	✓	✓	✓

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

We the undersigned, hereby certify the following with regards to our audited financial statements for the year ended December 31, 2023 that:

- (i) We have reviewed the report and to the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
 - Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
 - To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.
- (ii) We:
- are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (iii) We have disclosed to the auditors of the Company and audit committee:
- all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Olasupo Sogelola
Managing Director
FRC/2016/CIIN/00000013713
06 May 2024



Mr. Uyi Osagie
Chief Financial Officer
FRC/2016/ICAN/00000015704
06 May 2024

Risk Management Declaration


The Board of International Energy Insurance Plc hereby provides a Risk Management Declaration and state that, to the best of its knowledge and belief, having made appropriate enquiries:

- a. The Company have systems in place for the purpose of ensuring compliance with this guideline;
- 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 have in place Risk Management Strategy, developed in accordance with the requirements of this guideline, 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. material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.



Anthony Uzodinma Edeh
Non-Executive Director

FRC/2015/PRO/FORM C07/003/00000012821



Olasupo Sogelola
Managing Director

FRC/2016/CIIN/00000013713

Report of the Audit Committee

To the members of International Energy Insurance Plc.:

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Acts, 2020, the members of the Audit Committee of International Energy Insurance Plc., having carried out our statutory functions under the Act, hereby report as follows:

- We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audit for the year ended December 31 2023 were satisfactory and reinforced the Company's and the internal control systems.
- We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control systems.

SIGNED ON BEHALF OF THE COMMITTEE BY:



Moses Igbrude
Chairman, Audit Committee
FRC/2013/NIMN/00000905585
06 May 2024

Members of the Audit Committee are:

Mr. Moses Igbrude	Chairman
Mr. Augustine Anono	Shareholders' representative
Mr. Oyinwola Mosunmo	Shareholders' representative
Mr. Anthony Edeh	Non-executive Director
Dr. Chamberlain Peterside	Independent Non-executive Director

The Company Secretary/Legal Adviser acted as the Secretary to the Committee.

Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements for the year ended 31 December 2023

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

The responsibilities include ensuring that the Company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and its subsidiary and comply with the requirements of the Companies and Allied Matters Act, 2020
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied

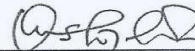
The Directors accept responsibility for the preparation and fair presentation of the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, the relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014 and Financial Reporting Council of Nigeria Act, 2021.

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company as at 31 December 2023, and of their financial performance for the year ended then. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors on 06 May 2024 by:



Anthony Uzodinma Edeh
Non-Executive Director
FRC/2015/PRO/FORM Co7/003/00000012821



Olasupo Sogelola
Managing Director
FRC/2016/CIIN/00000013713



Doyin Owolabi & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ENERGY INSURANCE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Energy Insurance Plc ("the Company") and its associates (collectively "The Company"), which comprise the statements of financial position as at December 31 2023, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and its subsidiary as at December 31 2023 and their financial performance and their cash flows for the year then ended and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and the relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pensions Reform Act 2014 and the Financial Reporting Council of Nigeria Act No. 6, 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 Financial Statements section of our report. We are independent of The Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audit of International Energy Insurance Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of International Energy Insurance Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to the fact that the Company did not meet the regulatory solvency margin whilst there was a negative solvency margin of N10.451 billion as at 31st December 2023(2022:N21.306 billion) (see note 51.2, page 85). The Company recorded a negative operating cash flow of N3.6 billion (2022: N601 million) (see page 28). The Company no longer carries out oil and gas business and this led to its declining revenue over the years. The note indicates that these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on The Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. In addition to the matters described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Doyin Owolabi & Co.

INTERNATIONAL ENERGY INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ENERGY INSURANCE PLC – CONTINUED

Key Audit Matters - continued

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

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Insurance Contract Liabilities. The Company has insurance contract liabilities of N5.1 billion as at December 31, 2023 (2022: N4.3 billion). This is an area that involves significant judgment over uncertain future outcomes and therefore we considered it a key audit matter for our audit.</p> <p>Consistent with the insurance industry practice, the Company engages an actuary to test the adequacy of this valuation of non-life business as at year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behavior and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgment is applied in setting these assumptions.</p> <p>Insurance contract liabilities are disclosed in Note 13 to the financial statements.</p>	<p>We used our in-house actuarial specialist to assist us in performing the audit procedures in the area of reviewing The Company's' Actuarial report on non-life business which included among others:</p> <ul style="list-style-type: none"> i. Consideration of the appropriateness of assumptions used in the valuation of the Insurance Contracts by reference to company and industry data and expectations. ii. Consideration of the appropriateness of non-economic assumptions used in the valuation of the Insurance Contracts in relation to lapse or extension assumptions by reference to company specific and industry data. <p>Other Key audit procedures included:</p> <ul style="list-style-type: none"> i. We reviewed and documented management's process for estimating insurance contracts. ii. We performed file review of specific underwriting contracts in order to maximize our understanding of the business and validate initial loss estimates. iii. We performed subsequent year claim payments to confirm the reasonableness of initial loss estimates.

Doyin Owolabi & Co.

INTERNATIONAL ENERGY INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ENERGY INSURANCE PLC – CONTINUED

Other Information

The Directors are responsible for the other information. The other information comprises the Financial Highlights, the Report of the Directors, Management Discussion and Analysis, Report of the Audit Committee, Certification pursuant to section 60 (2) of the Investment and Securities Act No. 29 2007, Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, and Corporate Governance Report as required by the Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, as issued by the International Accounting Standard Board (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and the relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pensions Reform Act 2014 and the Financial Reporting Council of Nigeria Act No. 6, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing The Company's and the Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Doyin Owolabi & Co.

INTERNATIONAL ENERGY INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL INSURANCE PLC – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements – continued

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 public interest benefits of such communication.

Doyin Owolabi & Co.

INTERNATIONAL ENERGY INSURANCE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL INSURANCE PLC – CONTINUED

Report on Other Legal and Regulatory Requirements


In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and NAICOM's Prudential Guidelines we confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.
- iv. In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and NAICOM's Prudential Guidelines so as to present fairly the statements of profit or loss and other comprehensive income of the Company and its subsidiary.

Contravention of Regulatory Guidelines

The Company incurred penalties in respect of contravention of the requirement of a section of the Investment & Securities Act (ISA) 2007, Rule 7.4 of the Nigerian Stock Exchange, 2015 and Section 26 of the Insurance Act 2003 in conjunction with the National Insurance Commission's Prudential Guidelines for Insurers and Reinsurers, 2015 on the filing and submission of annual reports and accounts. The details of the contravention and penalty are disclosed in the Note 51 to the of the financial statements.

Lagos, Nigeria
06-May-24


Adedoyin Idowu Owolabi, FCA
FRC/2013/PRO/ICAN/004/00000000101
For: Doyin Owolabi & Co.
(Chartered Accountants)



Statement of Profit or Loss

For the year ended 31 December 2023

In thousands of naira

	Note	31-Dec-23	31-Dec-22 Restated
Insurance revenue	6	2,718,177	758,907
Insurance service expense	7	346,556	(296,678)
Net expenses from reinsurance contracts held	8	(82,495)	(61,605)
Insurance service result		2,982,238	400,624
Investment income	9	173,331	24,295
Net gains on FVTPL investments	10	25,538	1,963,557
Net loss on disposal of investment properties	11	-	(1,269,000)
Net credit impairment losses		-	-
Net foreign exchange income/(expense)		-	-
Net investment income		198,869	718,852
Finance expenses from insurance contracts issued	31.5	(10,305)	(9,007)
Finance income from reinsurance contracts held		-	-
Net insurance finance expenses		(10,305)	(9,007)
Net insurance and investment result		3,170,802	1,110,469
Other income	12	886,800	28,416
Credit loss reversal/(expense)	13	5,223	(3,443)
Other finance cost	14	3,487,360	-
Employee benefit expenses	15	(609,831)	(316,869)
Other operating expenses	16	(1,690,454)	(453,524)
Profit on disposal of associate company	17	523,478	-
Share of loss of equity-accounted investees, net of tax	18	-	(123,478)
Profit/(loss) before income tax		5,773,378	241,572
Income tax expense	34.1	(197,100)	(8,671)
Profit/(loss) for the year		5,576,278	232,901
Earnings per share			
Basic earning per share (Kobo)	19	434	18

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

Statement of Comprehensive Income

For the year ended 31 December 2023


<i>In thousands of naira</i>	Note	<u>31-Dec-23</u>	<u>31-Dec-22 Restated</u>
Profit/(Loss) for the year		5,576,278	232,901
<i>Items that may be reclassified to profit or loss</i>			
Net gains on investments in debt securities measured at FVOCI		-	-
Net gain/(loss) on equity instrument designated at fair value through other comprehensive income	20	163,319	109,781
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		-	-
Finance expenses from insurance contracts issued		-	-
Finance income from reinsurance contracts held		-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Income tax relating to these items		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of land and buildings	42	-	(276,489)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Remeasurements of post-employment benefit obligations, before tax		-	-
Income tax relating to these items		-	-
Other comprehensive income, net of tax		<u>163,319</u>	<u>(166,708)</u>
Total comprehensive income/ (loss) for the year		<u>5,739,596</u>	<u>66,193</u>
Total comprehensive income attributable to:			
Owners of the Company		5,739,596	66,193


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

Statement of Financial Position
As at 31 December 2023

	Note	Group			Company		
		31-Dec-23	31-Dec-22 Restated	1-Jan-22 Restated	31-Dec-23	31-Dec-22 Restated	1-Jan-22 Restated
<i>In thousands of naira</i>							
Assets							
Cash and cash equivalents	21	-	-	225,817	4,403,204	5,254,685	121,225
Financial assets	22	-	-	332,841	4,238,807	4,39,860	332,841
Trade receivable	23	-	-	156,687	8,640	-	-
Reinsurance contract assets	24	-	-	208,757	271,943	227,328	208,757
Other receivables and prepayments	25	-	-	488,693	278,495	996,257	1,932
Investment in subsidiaries	26(a)	-	-	-	-	-	1,000,000
Investments in associates accounted for using the equity method	26(b)	-	-	-	-	876,522	-
Investment properties	27	-	-	3,822,250	6,373,615	4,880,000	3,822,250
Intangible assets	28	-	-	17,066	37,554	2,346	-
Property and equipment	29	-	-	3,520,463	780,525	1,673,724	3,047,490
Statutory deposit	30	-	-	-	-	-	-
Total assets		-	-	9,095,074	16,713,283	14,673,222	8,856,995
Liabilities and equity							
Liabilities							
Insurance contract liabilities	31	-	-	4,236,728	5,061,377	4,318,048	4,236,728
Trade payable	32	-	-	266,067	240,041	187,820	189,424
Provisions and other payables	33	-	-	1,238,179	1,922,209	2,034,977	1,159,846
Current income tax liabilities	34	-	-	525,866	398,445	307,162	511,081
Deferred tax liabilities	35	-	-	246,476	206,209	206,209	206,209
Lease obligations	36	-	-	-	43,389	-	-
Borrowings	37	-	-	14,119,342	9,826,151	14,092,842	14,092,842
Deposit for shares	38	-	-	317,233	5,066,039	5,316,339	317,233
Total liabilities		-	-	20,949,891	22,763,861	26,463,397	20,713,163
Equity							
Share capital	39-1	-	-	642,043	642,043	642,043	642,043
Share premium	39-2	-	-	963,097	963,097	963,097	963,097
Statutory contingency reserve	40	-	-	1,657,673	2,745,448	1,630,192	1,603,755
Capital reserve	41	-	-	7,926,399	7,926,399	7,926,399	7,926,399
Property revaluation reserve	42	-	-	1,501,417	1,206,428	1,206,428	1,482,917
Fair value reserve	43	-	-	145,588	418,688	255,369	145,588
Accumulated losses	44	-	-	(24,884,435)	(19,952,681)	(24,413,703)	(24,620,167)
Non-controlling interest		-	-	193,401	-	-	-
Total equity of the group		-	-	(11,854,817)	(6,050,578)	(11,790,175)	(11,856,368)
Total liabilities and equity		-	-	9,095,074	16,713,283	14,673,222	8,856,995

These financial statements were approved by the Board on 6th May 2024 and signed on its behalf by:


Anthony Uzodinma Edeh
Non-Executive Director
FRC/2015/PRO/FORM C07/003/00000012821


Oluşup Soqelola
Managing Director/CEO
FRC/2013/CIIN/00000013713


Uyi Osaqie
Chief Financial Officer
FRC/2016/ICAN/00000015704

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

Statement of Changes in Equity

For the year ended 31 December 2023

In thousands of naira

	Share capital	Share premium	Statutory contingency reserve	Capital reserve	Accumulated losses	Property revaluation reserve	Fair value reserve	Total
As at 1 January 2022	642,043	963,097	1,603,755	7,926,399	(24,568,858)	1,482,917	145,588	(11,805,059)
Impact of initial application of IFRS 17	-	-	-	-	(51,309)	-	-	(51,309)
Restated balance as at 1 January 2022	642,043	963,097	1,603,755	7,926,399	(24,620,167)	1,482,917	145,588	(11,856,368)
Profit for the year	-	-	-	-	232,901	-	-	232,901
Other comprehensive income	-	-	-	-	-	(276,489)	109,781	(166,708)
Total comprehensive income/loss	-	-	-	-	232,901	(276,489)	109,781	66,193
Transactions with owners of the Company								
Contributions and distributions								
Transfer between reserves	-	-	26,437	-	(26,437)	-	-	-
Derecognition of interest on Daewoo loan	-	-	-	-	-	-	-	-
At 31 December 2022	642,043	963,097	1,630,192	7,926,399	(24,413,703)	1,206,428	255,369	(11,790,175)
Profit for the year	-	-	-	-	5,576,278	-	-	5,576,278
Other comprehensive income	-	-	-	-	-	-	163,319	163,319
Total comprehensive profit/(loss)	-	-	-	-	5,576,278	-	163,319	5,739,596
Transactions with owners of the Company								
Contributions and distributions								
Transfer between reserves	-	-	1,115,256	-	(1,115,256)	-	-	-
At 31st December 2023	642,043	963,097	2,745,448	7,926,399	(19,952,681)	1,206,428	418,688	(6,050,579)

See accompanying summary of significant accounting policies and notes to the financial statements which form an integral part of these financial statements.

Statement of Cash Flows
for the period ended 31st December 2023

	Note	Group			Company		
		31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-23	31-Dec-22	31-Dec-21
<i>In thousands of naira</i>							
Operating activities							
Premium received from policy holders	23	-	-	687,076	5,119,082	881,559	687,076
Reinsurance premium paid	24.1	-	-	(115,825)	(335,374)	(137,564)	(115,825)
Minimum ans Deposit Premium paid	24.1	-	-	(4,030)	(18,250)	(67,063)	(4,030)
Commission received	8.1	-	-	23,942	36,278	17,262	23,942
Commission paid	31.2	-	-	(30,564)	(117,401)	(36,770)	(30,564)
Maintenance cost paid	7	-	-	(171,742)	(471,646)	(129,146)	(171,742)
Claims paid	7	-	-	(121,415)	(740,919)	(181,100)	(121,415)
Claims recoverable from re-insurers	8.1	-	-	25,696	190,236	81,743	25,696
Premium received in advance	32.1	-	-	161,505	114,946	19,807	161,505
Loan and advances		-	-	-	-	(855)	-
Repayment of loans		-	-	120	-	-	120
Other operating cash payments		-	-	(1,512,381)	(126,491)	(861,968)	(585,346)
Other operating income		-	-	1,042,554	38,396	25,489	83,718
Cash used in operating activities	55	-	-	(15,185)	3,688,857	(388,606)	(46,864)
Income tax paid		-	-	(4,304)	(105,817)	(212,590)	(3,000)
Net cash used in operating activities		-	-	(19,489)	3,583,040	(601,196)	(49,864)
Investing activities							
Purchase of property, plant and equipment	29	-	-	(24,237)	(675,096)	(189,519)	-
Proceeds from disposal of property, plant and equipment		-	-	-	1,178	261	-
Proceeds from disposal of investment properties	27	-	-	-	-	900,000	-
Purchase of investment properties	27	-	-	-	(12,302)	-	-
Purchase of Intangible assets	28	-	-	(3,186)	(36,715)	(2,366)	-
Dividend received	9	-	-	9,890	3,388	1,807	9,890
Interest received	9	-	-	13,417	169,938	22,488	10,450
Purchase of treasury bill	22.3	-	-	-	(3,614,705)	-	-
Disposal of investment	22.1	-	-	-	14,546	-	-
Cash provided by investing activities		-	-	(4,116)	(4,149,768)	732,670	20,340
Financing activities							
Payment of lease liabilities	36	-	-	-	(37,537)	-	-
Repayment of borrowings		-	-	(12,000)	-	-	-
Receipts of Deposit for shares during the year	36	-	-	-	-	5,000,000	-
Interest paid	36	-	-	(8,713)	(8,677)	-	-
Repayment of deposit for shares	37	-	-	-	(250,300)	(894)	-
Cash used in financing activities		-	-	(20,713)	(296,514)	4,999,106	-
Net decrease in cash and cash equivalents		-	-	(44,318)	(863,242)	5,130,580	(29,524)
Cash and cash equivalents at beginning of the year	21	-	225,816	266,589	5,254,685	121,225	147,204
Effect of foreign exchange differences	12	-	-	3,545	9,761	2,880	3,545
Derecognition on lost of control of subsidiary during the year		-	(225,816)	-	-	-	-
Cash and cash equivalents at end of the year		-	-	225,816	4,401,204	5,254,685	121,225

Notes to the Financial Statements

1 General Information

The International Energy Insurance Plc (“the Company”) was incorporated as Nigeria Exchange Insurance Limited on 26 March 1969. The name was changed to Mutual Life and General Insurance Limited in 1995. In 2000, the name of the Company was changed to Global Assurance Limited. In 2003, the Company's name was changed to International Energy Insurance Limited following the acquisition of 70% of the shares of Global Assurance Limited by SKI Consult. The Company merged its operations with Rivbank Insurance Limited on 30 November 2006 with the name of the combined business changing to International Energy Insurance Plc., thereafter; the Company was listed on the Nigerian Stock Exchange in 2007.

Following the acquisition of the majority shareholding by Norrenberger Advisory Partners Limited (NAPL) on October 8, 2021, the Company has sought and obtained the “No Objection” approval of NAICOM for the 100 % equity stake of the company by Norrenberger Advisory Partners Limited. Norrenberger Advisory Partners Limited has received all the necessary permissions from the Federal Competition and Consumer Protection Commission (FCCPC), the Securities & Exchange Commission (SEC), the National Insurance Commission (NAICOM) and the National Pension Commission (PENCOM) for the acquisition.

The financial statements of International Energy Insurance Plc. for the year ended December 31 2023 were authorised for issue in accordance with a resolution by the Board of Directors on 6th May, 2024.

Principal activities

The activities of the Company include general insurance business with special focus on Oil and Energy. The activities include insurance underwriting, claims administration and management of liquidity by investing the surplus in fixed deposits, bonds, held for trading and treasury bills. However, the associate company - Norrenberger Pensions Limited, formerly IEI Anchor Pensions Managers Limited which principal activity is pension funds administration has been spined-off during the year under review.

Going concern

The Directors assess The Company’s future performance and financial position on a going concern basis and have no reason to believe that the Company and its associate will not be a going concern in the year ahead. For this reason, these financial statements are prepared on a going-concern basis.

2 Basis of accounting

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, Financial Reporting Council of Nigeria Act, the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars.

2.2 Going concern

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

2.3 Functional and presentation currency

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

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the valuation of investment property, available-for-sale financial assets, insurance liabilities, and financial assets and liabilities designated at fair value.

Notes to the Financial Statements - (Continued)

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

2.5 Use of estimates and judgement

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

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

2.6 Regulatory authority and financial reporting

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

- (i) Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under Note 3.25 to cover fluctuations in securities and variation in statistical estimates;
- (ii) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act;
- (iii) Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria;
- (iv) Section 25 (1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.
- (v) However, section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

Notes to the Financial Statements - (Continued)

3 Changes in accounting policies and disclosures

3.1 New and amended standards and interpretations

In these financial statements, the Company has applied IFRS 17 for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued.

3.2 IFRS 17 Insurance Contracts

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

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

3.2.1 Changes to classification and measurement

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

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

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

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

Notes to the Financial Statements - (Continued)

3 Changes in accounting policies and disclosures (continued)

3.2.1 Changes to classification and measurement (continued)

The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

3.2.2 Changes to presentation and disclosure

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

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

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

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

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

- Gross premium income
- Reinsurance expenses
- Commission income
- Claims expenses
- Acquisition expenses
- Maintenance costs

Instead, IFRS 17 requires separate presentation of:

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

3.2.3 Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.
- See **note 54** for transition adjustment

Notes to the Financial Statements - Continued

4 Summary of material accounting policies

4.1 Insurance operations

Summary of measurement approaches

The Company uses PAA (Premium Allocation Approach) for all its contract, as follows:

	Product classification	Measurement model
Contract issued	Reinsurance contract	Premium Allocation Approach
	held	
Reinsurance contracts held	Reinsurance contract	Premium Allocation Approach
	held	

4.1.(a) Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

4.1.(c) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - i. the beginning of the coverage period of the group; and
 - ii. the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

Notes to the Financial Statements - Continued

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
 - the contract is modified and additional criteria discussed below are met.
- a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
 - b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
 - c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

4.1.(d) Measurement

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts might include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Notes to the Financial Statements - Continued

4.1.(d) Measurement

4.1.(d)(ii) Initial and subsequent measurement

The company's contracts are within one year or less. Thus, the PAA approach was used. This approach is used for originated non-life insurance contracts, because each of these contracts has a coverage period of one year or less.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. For reinsurance contracts held, reinsurance commission are recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Company measures the Liability for remaining Coverage (LRC) at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition. For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

4.1.(d)(ii) Initial and subsequent measurement

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the Liability for remaining coverage (LRC); and
- b. the Liability for incurred claims (LIC), comprising the FCF related to past service allocated to the group at the

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

The LIC is measured by adjusting future cash flows for the time value of money.

Notes to the Financial Statements - Continued

4.1.(e) Amounts recognised in comprehensive income

4.1.(e)(i) Insurance service result from insurance contracts issued

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits, excluding investment components reduced by loss component allocations;
- b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- c. insurance acquisition cash flows amortisation
- d. changes that relate to past service – changes in the FCF relating to the LIC; and
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
- f. insurance acquisition cash flows assets impairment, net of reversals

4.1.(e)(ii) Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. for reinsurance contracts measured under the PAA, commission income are included within reinsurance expenses;
- c. incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- d. other incurred directly attributable expenses;
- e. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- f. effect of changes in the risk of reinsurers' non-performance; and
- g. amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - i. income on initial recognition of onerous underlying contracts

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, for reinsurance contracts, reinsurance commission income are included in reinsurance expenses.

For groups of reinsurance contracts, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

4.1.(e)(iii) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

Notes to the Financial Statements - Continued

4.1.(e)(iii) Insurance finance income or expenses

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the LIC; and
- b. the effect of changes in interest rates and other financial assumptions.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured, the Company includes all insurance finance income or expenses for the period in profit or loss (that is, the profit or loss option (the PL option) is applied).

Full retrospective approach

The Company has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within three years prior to the transition.

In addition, for insurance contracts originated by the Group that are eligible for the PAA, the Group has concluded that only current and prospective information was required to reflect circumstances at the transition date, which made the full retrospective application practicable and, hence, the only available option for non-life insurance contracts issued by the Company.

Accordingly, the Company has: identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if IFRS 17 had always applied (except that a retrospective impairment test has not been performed); derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity.

4.1.2.3 Estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the consolidated financial statements. In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios, except where stochastic modelling is used to measure financial guarantees. The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

4.1.2.4 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. However, no allowance has been made for discounting its expected future cash flows as it is not expected to have a significant impact given the relatively short-tailed claims run-off.

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions, and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Notes to the Financial Statements - Continued

4.1.2.5 Estimates of future cash flows to fulfil insurance contracts

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups.

Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written. This includes an allocation of acquisition cash flows among existing, as well as future, groups of insurance contracts issued. For automobile insurance contracts issued, the allocation of certain commissions to the existing groups of contracts, and to groups of contracts that will include insurance contracts that are expected to arise from renewals of the insurance contracts in existing groups, involves assumptions about future contract renewal rates.

4.1.2.6 Methods used to measure non-life contracts

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contract.

The most common methods used to estimate property damage claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods, which are the industry standards for this type of claim.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed, to produce an estimated ultimate claims cost for each accident year. The chain-ladder technique is the most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Company does not have a developed claims history for a particular type of claim.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure, such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined, using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (that is, in relation to recent accident years or new products).

4.1.2.7 Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies, because this reflects the compensation that the entity requires.

Notes to the Financial Statements - Continued

4.2 Financial assets and liabilities

4.2.(a) Summary of measurement categories

The Company classifies its financial assets into the following categories:

Type of financial instruments	Classification	Reason
Cash and cash equivalents	AC	SPPI, hold to collect business model
Debt instruments	AC	SPPI, hold to collect business model
Equity securities	FVTPL	Designated
Equity securities	FVOCI	Mandatory
Other financial assets	AC	SPPI, hold to collect business model
Other financial liabilities	AC	Mandatory

4.2.(b) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date (that is, the date on which the Company commits to purchase or sell the asset).

At initial recognition, the Company measures a financial asset or financial liability at its fair value, plus or minus (in the case of a financial asset or financial liability not at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

4.2.(c) Amortised cost and effective interest rate

AC is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (that is, its AC before any impairment allowance) or to the AC of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original EIR. Any changes are recognised in profit or loss.

Interest revenue is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC or FVOCI.

4.2.1 Financial assets

4.2.1.(a) Classification and subsequent measurement

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

- AC
- FVOCI; or
- FVTPL

Notes to the Financial Statements - Continued

4.2.1.(b) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds.

The classification and subsequent measurement of debt instruments depend on:

- a. the Company's business model for managing the asset; and
- b. the cash flow characteristics of the asset (represented by SPPI).

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

- a. **AC:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured, as described further below. Interest revenue from these financial assets is included in interest
- b. **FVOCI:** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's AC, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net investment income. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.
- c. **FVTPL:** Assets that do not meet the criteria for AC or FVOCI are measured at FVTPL. Also, some assets are voluntarily measured at FVTPL, because this significantly reduces an accounting mismatch. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised and presented in the consolidated statement of profit or loss within net

The business model reflects how the Company manages assets in order to generate cash flows. That is, it reflects whether the Company's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (for example, financial assets are held for trading purposes), the financial assets are classified as part of the other business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated. For example, the Company's business model for the investments underlying direct participating contracts is to hold to collect and sell contractual cash flows. The proceeds from the contractual cash flows of the financial assets are used to settle insurance contract liabilities as they become due. To ensure that the contractual cash flows from the financial assets are sufficient to settle those liabilities, the Company undertakes significant buying and selling activity on a regular basis, to rebalance its portfolio of assets and to meet cash flow needs as they arise. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial assets. Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (that is, interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that is not consistent with a basic lending arrangement, the Company classifies the financial assets as not measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Company reclassifies debt investments only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be rare. The Company might also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Company has determined that an accounting mismatch is reduced if financial assets backing insurance contracts in the Life Risk, Savings (except for underlying assets) and Property and Casualty product lines are measured at FVTPL. For these instruments, the Company has applied the option to

Notes to the Financial Statements - Continued

4.2.1.(c) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets). Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at FVTPL. Gains and losses on equity investments at FVTPL are included in the line 'Net gains on FVTPL investments' in the consolidated statement of profit or loss.

The Company chooses not to apply the FVOCI option for equity instruments that are not held for trading.

4.2.1.(d) Impairment

The Company assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at AC and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.2.1.(e) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all of the risks and rewards of ownership; or (ii) the Company neither transfers nor retains substantially all of the risks and rewards of ownership and the

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as pass-through transfers that result in derecognition if the Company:

- a. has no obligation to make payments unless it collects equivalent amounts from the assets;
- b. is prohibited from selling or pledging the assets; and
- c. has an obligation to remit any cash that it collects from the assets without material delay.

4.2.2 Financial liabilities

4.2.2.(a) Classification and subsequent measurement

In both the current and prior periods, financial liabilities are classified and subsequently measured at AC, except for derivatives and investment contracts without DPF, which are measured at FVTPL.

Investment contracts without DPF are financial liabilities whose fair value is dependent on the fair value of underlying financial assets and are designated at inception at FVTPL. The Company designates these investment contracts to be measured at FVTPL, because it eliminates or significantly reduces a measurement or recognition inconsistency (that is, an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on

The Company's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data. The fair value of financial liabilities for investment contracts without fixed terms is determined using the current unit values in which the contractual benefits are denominated. These unit values reflect the fair values of the financial assets contained within the Company's unitised investment funds linked to the financial liability. The fair value of the financial liabilities is obtained by multiplying the number of units attributed to each contract holder at the end of the reporting period. When the investment contract has an embedded put or surrender option, the fair value of the financial liability is never less than the amount payable on surrender, discounted for the required notice period where applicable.

Changes in the fair value of financial liabilities measured at FVTPL related to own credit risk are presented in OCI, while all other fair value changes are presented in the consolidated statement of profit or loss.

Notes to the Financial Statements - Continued

4.2.2.(b) Derecognition

Financial liabilities are derecognised when they are extinguished (that is, when the obligation specified in the contract is discharged, is cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors (such as the currency in which the instrument is denominated, changes in the type of interest rate, new conversion features attached to the instrument, and changes in covenants) are also taken into consideration. If an exchange of debt instruments or a modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

4.2.3 Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative.

Certain derivatives are embedded in hybrid contracts. If the hybrid contract contains a host that is a financial asset, the Company assesses the entire contract for classification and measurement purposes. Otherwise, the embedded derivatives are

- a. their economic characteristics and risks are not closely related to those of the host contract;
- b. a separate instrument with the same terms would meet the definition of a derivative; and
- c. the hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss, unless the Company chooses to designate the hybrid contracts at FVTPL.

4.2.4 Significant judgements and estimates in applying IFRS 9

Judgements

This note provides an overview of the areas that involve a higher degree of judgement or complexity. More detailed information about these judgements is included in the notes.

Judgement	Description
Classification of financial instruments	The Company has made judgements in applying the business model criteria to its portfolio of debt instruments. The Company has also applied judgement as to whether designating debt instruments at FVTPL significantly reduces an accounting mismatch.
Expected credit loss	A number of significant judgements are required in applying the accounting requirements for measuring the ECL, such as: a. determining criteria for a significant increase in credit risk (SICR); b. choosing appropriate models and assumptions for the measurement of the ECL; c. establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and d. establishing Company's of similar financial assets for the purposes of measuring the ECL.

Notes to the Financial Statements - Continued

4.3 Other Receivables and Prepayments

Other receivables and prepayments are carried at cost less accumulated impairment losses.

4.4 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there have separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

4.5 Investment Properties

Investment properties comprise of completed property and property under construction that are held by the Company to earn rental income or for capital appreciation or both.

Investment properties are measured initially at their cost, including related transaction costs. Transaction costs include professional fees for legal services and other commissions to bring the properties to the condition necessary for them to be capable of operating. After initial recognition, investment properties are carried at fair value with any changes therein recognized in the statements of profit or loss.

An external, independent valuer, having appropriate recognized professional qualifications, certified by the Financial Reporting Council (FRC) of Nigeria and with recent experience in the location and category of the Investment properties being valued, values the Company's investment properties annually. Fair value is evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee which reflects market conditions at the reporting date.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is recognized in the statement of profit or loss in the period of the derecognition.

Notes to the Financial Statements - Continued

4.6 Intangible assets

Intangible assets comprise computer software purchases from third parties. They are measured at cost less accumulated amortization and accumulated impairment losses. Purchased computer software are capitalized on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortized on straight-line basis over the useful life of the asset.

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 10 years. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.7 Property, plant, and equipment

Recognition and measurement

Intangible assets comprise computer software purchases from third parties. They are measured at cost less accumulated amortization and accumulated impairment losses. Purchased computer software are capitalized on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortized on straight-line basis over the useful life of the asset.

Subsequent costs

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

Depreciation

All property, plant and equipment (except land and buildings) are stated at historical cost less accumulated depreciation and impairment losses. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives.

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held-for sale in accordance with IFRS 5 - Non-current Assets Held-for-Sale and Discontinued Operations.

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

Buildings	1%
Leasehold improvements	20%
Plant and Machinery	20%
Furniture, fittings and office equipment	10%
Computer equipment	10%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Financial Statements - Continued

Revaluation of land and building

Land is shown at fair value based on periodic valuations by external independent valuers less subsequent depreciation for buildings. Buildings 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 an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve through OCI, except to the extent that it reverses a revaluation decrease of the same property previously recognized as an expense in the statement of profit or loss. When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve through OCI in respect of that property. However, to the extent that it exceeds any surplus, it is recognized as an expense in the statement of profit or loss.

De-recognition

An item of property, plant, and equipment is derecognized on disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

4.8 Statutory deposit

The Company's Statutory deposit represents the fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) of the Insurance Act, 2003. The deposit is recognized at the cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for the General insurance business. Interest income on the deposit is recognized in the statement of profit or loss in the period the interest is earned.

4.9 Trade payables

Trade payables (i.e. insurance payables) are recognized when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables include payables to agents and brokers, payables to reinsurance companies, payables to coinsurance companies, and commission payable.

The effective interest method is a method of calculating the amortized cost of the financial liabilities and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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. Trade payables are derecognized when the obligation under the liability is settled, cancelled, or expired

4.10 Provisions and Other Payables

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

Provisions are measured at the Director's best estimate of the expenditure required to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Other payables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method. They comprise of other short-term monetary liabilities such as professional fees payable, insurance levy payable, and staff pension liability.

Notes to the Financial Statements - Continued

4.11 Retirement obligations and employee benefits

The operates the following contribution and benefit schemes for its employees:

Defined contribution pension scheme

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

Short-term benefits

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

4.12 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in the statement of profit or loss and other comprehensive income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are measured at the tax rates that are expected to apply in 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Notes to the Financial Statements - Continued

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as a transaction cost 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 amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the company has an unconditional right to defer the settlement of the liabilities for at least twelve months after the date of the statement of financial position.

4.14 Deposit for share

Deposit for share is recognized at cost, being the amount of deposit received from potential shareholders of the Company. The deposit is derecognized when the Company's equity instruments have been issued to the depositors or a refund made.

4.15 Share capital

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

4.16 Dividends on ordinary share capital

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Thus, such dividends are only disclosed in the notes to the financial statements.

4.17 Share premium

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

4.18 Contingency reserve

In compliance with Section 21(2) of Insurance Act, CAP 117 LFN 2004, contingency reserve is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

4.19 Accumulated losses

Accumulated losses comprise the undistributed (losses)/profits from previous years, which have not been reclassified to the other equity reserves.

4.20 Management expenses

Management expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Management expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of their origin.

4.21 Losses per share

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

Notes to the Financial Statements - Continued

4.22 Significant judgments, estimates, and assumption

4.22.1 Judgement

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These conditions give rise to a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern therefore they may be unable to realize their assets and discharge their liabilities in the normal course of business.

Management plans to recapitalize the Company. The recapitalization of the business will be achieved through the injection of Funds by potential investors. The Company is discussing with prospective investors. However, if the Company gets an investor, it is estimated that the timing of completion of the recapitalization process may take about 6 months because of the logistics around capital raising for a listed and regulated Company. The success of this plan will potentially lead to a turnaround of the Company's performance from adverse regulatory ratios, losses, and inadequate liquidity to improved market share, cash flows, and liquidity. In addition, the Company may then be able to meet the minimum regulatory capital requirements of NAICOM and thus be able to re-commence its oil and gas line of businesses. In addition, Management has put in place plans to improve its retail business base by exploring new opportunities that may improve its revenues and performance. Specifically, some of the plans are leveraging personal relationships and opportunities created by the Government on compulsory insurance to increase its reach and spread. The Company plans to achieve this by retaining its existing clients and selling permissible services to clients in new locations across the country through strategic partnerships with other insurance and insurance brokerage firms. The Company plans to optimize its costs by converting some of its branches to office representatives.

The financial statements are prepared on the basis that The Company will continue to be a going concern. This basis of preparation is dependent on the presumption of the ability of the Company to comply with the minimum regulatory capital requirement and the solvency margin requirement as well as its ability to realize its assets and discharge its liabilities in the ordinary course of business.

4.22.2 Estimates and assumption

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

Valuation of investment properties

The valuation of the properties is based on the price for which comparable land and properties are being exchanged or are being marketed for sale. Therefore, the market-approach method of valuation is used; this reflects existing use with recourse to comparison approach that is the analysis of recent sale transactions on similar properties in the neighbourhood. The best price that subsisting interest in the property will reasonably be expected to be sold if made available for sale by a private treaty between a willing seller and buyer under competitive market conditions.

Revaluation of property, plant, and equipment

The Company measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Company engaged an independent valuation specialist to assess fair value as at December 31, 2018. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location, and condition of the property.

Notes to the Financial Statements - Continued

5 Standards and interpretations issued but not yet effective

As at 30 June 2023, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023.

Title	Key requirements	Effective date
<p>Classification of liabilities as Current or Non-current - Amendments to IAS 1</p> <p>Non-current Liabilities with Covenants - Amendments to IAS 1</p>	<p>Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).</p> <p>Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.</p> <p>The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:</p> <ul style="list-style-type: none"> • the carrying amount of the liability • information about the covenants, and • facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. <p>The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.</p> <p>The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.</p>	<p>01 January 2024</p>
<p>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</p>	<p>In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.</p> <p>The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.</p>	<p>01 January 2024</p>

Notes to the Financial Statements - Continued

Title	Key requirements	Effective date
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	<p>The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.</p> <p>The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:</p> <p>The terms and conditions of SFAs:</p> <ol style="list-style-type: none"> 1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented 2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers. 3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. 4. Non-cash changes in the carrying amounts of financial liabilities in (b). 5. Access to SFA facilities and concentration of liquidity risk with finance providers. <p>The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year</p>	01 January 2024
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	<p>The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>	N/A

Notes to the Financial Statements - Continued

Definitions

The terminology used in this report is described as follows.

Gross claims paid

The amounts paid to IEI excluding any applicable taxes and including direct claims handling expenses and salvages.

Gross case reserves / claims outstanding / case estimates

Case estimates provided by IEI that represent claims which have been reported but not yet settled.

Incurred But Not Reported ("IBNR") claims

Claims which have been incurred by IEI but which have not yet been reported as at the valuation date for all accident years up to and including the valuation date.

Unexpired Premium Reserve ("UPR")

Total value of premiums received but which have not yet been earned as at the valuation date. The figures shown in this report are balances as at the valuation date.

Insurance Acquisition Cashflows ("IACF")

The portion of acquisition costs that relates to the portion of premiums which have not been earned at the valuation date.

Initial Expected Loss Ratio ("IELR")

The ultimate expected loss ratio that is estimated at the start of the contract without knowledge of future claim experience.

Loss Component ("LC")

If business written is unprofitable, this reserve allows for the additional cost of claims and expenses that will be incurred on the unexpired business for which the UPR reserve will be insufficient to cover during that period.

Combined Ultimate Loss Ratio ("CULR")

The ultimate claims loss ratio plus expense ratio that was observed over the current financial year and is therefore expected to be experienced during the period of unexpired risk.

Liability for Incurred Claims (LIC)

An entity's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not yet been reported, and other incurred insurance expenses. In this case the includes the Incurred But Not Reported claims (IBNR), Outstanding Claims Reserve (OCR) and the Risk Adjustment (RA).

Liability for Remaining Coverage

An entity's obligation to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (ie the obligation that relates to the unexpired portion of the coverage period). In this case this includes the Unearned Premium Reserve (UPR) and Loss Component (LC).

Notes to the Financial Statements - Continued

6 Insurance revenue

In thousands of naira

Contracts measured using the premium allocation approach

Direct premium

Inward reinsurance premiums

Total premium written

Changes in Liability for Remaining Coverage (see note 31.1)

Insurance revenue

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	5,092,018	881,169
	<u>35,705</u>	<u>389</u>
	5,127,723	881,558
	<u>(2,409,546)</u>	<u>(122,651)</u>
	<u>2,718,177</u>	<u>758,907</u>

7 Insurance service expenses

In thousands of naira

(a) Claims paid during the year

Changes in outstanding claims liability (see note 31.3)

Changes in Incurred but not Reported (see note 31.4)

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	740,919	181,100
	<u>(1,725,993)</u>	<u>(24,092)</u>
	61,817	<u>(21,363)</u>
	<u>(923,257)</u>	135,645

(b) Changes in Loss component

Changes in Risk Adjustment - Outstanding claims (see note 31.6)

Total Claims incurred (a+b)

	18,872	(1,102)
	<u>5,209</u>	<u>(455)</u>
	<u>(899,176)</u>	<u>134,088</u>

(c) Amortization of Insurance acquisition cash flows (see note 31.2)

Maintenance cost

	80,974	33,444
	<u>471,646</u>	<u>129,146</u>
	<u>552,620</u>	<u>162,590</u>

Total Insurance Service Expenses for the year

	<u>(346,556)</u>	<u>296,678</u>
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8 Net expenses from reinsurance contracts held

In thousands of naira

Contracts measured using the premium allocation approach

Changes in prepaid re-insurance (see note 24.1)

Changes in Minimum & deposit premium paid in advance in previous years (see note 24.1)

Re-insurance expenses incurred

Insurance Claims Recovered from Reinsurers (see note 8.1)

Changes in Ri share of Liability for incurred claims:

Changes in Risk Adjustment -Reinsurance on recoverable (note 24.1)

Total net expenses from reinsurance contract held

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	277,151	112,636
	<u>67,063</u>	<u>4,030</u>
	<u>344,214</u>	<u>116,666</u>
	(261,122)	(56,027)
	(597)	966
	<u>(597)</u>	<u>966</u>
	<u>82,495</u>	<u>61,605</u>

8.1 Insurance Claims Recovered from Reinsurers

Commission received

Changes in reinsurance share of outstanding claims (note 24.1)

Changes in reinsurance share of IBNR (note 24.1)

Total claims recoveries/outgo from reinsurance

	(190,236)	(85,778)
	<u>(36,278)</u>	<u>(17,262)</u>
	2,800	7,528
	<u>(37,408)</u>	<u>39,485</u>
	<u>(261,122)</u>	<u>(56,027)</u>

8.2 Re-insurance premium incurred

In thousands of naira

Fire

Motor

General Accident

Marine

Bonds

Oil & Energy

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	44,715	1,150
	81,513	60,027
	55,463	9,506
	93,948	23,285
	1,512	18,668
	-	-
	<u>277,151</u>	<u>112,636</u>

Notes to the Financial Statements - Continued

9 Investment income			
<i>In thousands of naira</i>			
	31-Dec-23		31-Dec-22
Interest income - bank deposits	150,540		9,857
Interest on statutory deposit	19,398		12,631
Interest on treasury bills	5		-
Dividend income earned	3,388		1,807
	<u>173,331</u>		<u>24,295</u>
10 Net Realised gains/(loss) on financial assets			
<i>In thousands of naira</i>			
	31-Dec-23		31-Dec-22
Realised gain on sales of Quoted equity securities (see note 22.1)	23,282		-
Net fair value gains/(loss) on financial assets at fair value through profit or loss (see note 22.1)	12,187		(2,763)
Net fair value loss on investment properties (see note 27)	(9,931)		1,966,320
	<u>25,538</u>		<u>1,963,557</u>
11 Profit/(Loss) on disposal of investment property			
<i>In thousands of naira</i>			
	31-Dec-23		31-Dec-22
Net loss on disposal of investment properties (see note 27)	-		(1,269,000)
	<u>-</u>		<u>(1,269,000)</u>
12 Other income			
<i>In thousands of naira</i>			
	31-Dec-23		31-Dec-22
Rental Income	38,396		25,848
Foreign exchange gain (see note 37.1)	770,653		-
Foreign exchange gain (cash and cash equivalent)	9,761		2,307
Sundry income	66,813		-
Gain on disposal of assets	1,177		261
	<u>886,800</u>		<u>28,416</u>
13 Net credit impairment loss			
<i>In thousands of naira</i>			
	31-Dec-22	Addition/ Reversal	31-Dec-23
2023			
Cash and cash equivalents (see note 21)	3,443	(8,666)	(5,223)
	<u>3,443</u>	<u>(8,666)</u>	<u>(5,223)</u>
2022			
Cash and cash equivalents (see note 21)	12,196	(8,753)	3,443
	<u>12,196</u>	<u>(8,753)</u>	<u>3,443</u>
14 Finance costs			
<i>In thousands of naira</i>			
	31-Dec-23		31-Dec-22
Interest on lease obligations	8,677		-
Write back of interest element on Daewoo loan (see note 37.1)	(3,496,037)		-
Net insurance finance expenses	<u>(3,487,360)</u>		<u>-</u>

Notes to the Financial Statements - Continued

15 Employee benefit expenses

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Wages and salaries	519,405	277,752
Other staff costs	31,220	19,727
Pensions	59,206	19,390
	<u>609,831</u>	<u>316,869</u>

15 Directors and employees

Compensation of key management personnel

Key management personnel of the Company includes all directors, executives and non-executive, and senior management. The summary of compensation of key management personnel for the year is as follows:

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Short-term employee benefits:		
Salaries and allowances	49,000	12,000
	<u>12,000</u>	<u>12,000</u>

Fees and other emolument disclosed above includes amount paid to:

Chairman	5,000	5,000
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The number of Directors who received fees and other emoluments

(excluding pension contributions and certain benefit) in the following ranges was:

	Number	Number
=N=1,000,001 - =N=5,000,000	8	2
=N=5,000,001 - =N=10,000,000	1	1
	<u>9</u>	<u>3</u>

Personnel

The average number of persons employed at the end of the year was:

Administration	12	9
Technical	34	25
	<u>46</u>	<u>34</u>

The table below shows the number of employees (excluding Directors) of the Company who earned emoluments in the following ranges:

Emolument range	Number	Number
=N=600,001 - =N=1,000,000	-	2
=N=1,000,001 - =N=2,000,000	-	6
=N=2,000,001 - =N=3,000,000	7	15
=N=3,000,001 - =N=4,000,000	12	4
=N=4,000,001 - =N=5,000,000	10	4
=N=5,000,001 - =N=8,000,000	8	2
=N=8,000,001 - =N=10,000,000	5	1
=N=10,000,001 - and above	4	-
	<u>46</u>	<u>34</u>

Notes to the Financial Statements - Continued

16 Other operating expenses

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Directors emoluments	25,000	35,866
Auditors remuneration	13,500	16,000
Depreciation	77,008	26,915
Amortisation	1,507	20
Legal and other professional fees	141,397	68,703
Motor running expenses	38,222	20,509
Subscription	19,549	11,488
Donations	935	-
Brand and Communications	152,552	-
AGM Expenses	-	17,603
Repairs and maintenance	20,046	593
Ibadan Estate Repairs	-	21,617
Rent and rates	111,422	6,957
Postage and telephone	2,401	2,886
Transport and travelling	57,034	42,516
Printing and stationery	32,901	28,978
Advertisements, sales and marketing	-	5,688
Security expenses	5,291	6,070
Oil and diesel	6,550	19,696
Insurance and license	21,670	5,008
State and local government levy	6,564	4,154
NAICOM Levy	51,277	8,710
Entertainment expenses	12,474	4,348
Board Expenses	42,038	24,661
Filing fees	692	3,892
Office Cleaning	7,556	4,475
Newspapers & Periodicals	1,475	205
ICT consumables	25,648	8,377
Internet subscription	4,786	4,543
Bank charges	15,197	4,030
Electricity and utilities	2,694	4,263
Fines and penalty	14,870	44,753
Marketing expenses	65,920	-
Corporate strategy expenses	11,676	-
Staff productivity bonus	350,602	-
Other Expenses	350,000	-
	<u><u>1,690,454</u></u>	<u><u>453,524</u></u>

Notes to the Financial Statements - Continued

17 Profit or loss on disposal of Associate Company

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Consideration	1,400,000	-
Carrying amount of Associate company disposed (see note 26(b))	(876,522)	-
Fair value gain on disposal of investment in associate company	<u>523,478</u>	<u>-</u>

18 Share of profit/(loss) of an Associate

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Loss for the year	-	(425,786)
Other comprehensive income	-	-
Total comprehensive income/(loss)	<u>-</u>	<u>(425,786)</u>
Share of loss of an associate of 29% shareholding of the Company	<u>-</u>	<u>(123,478)</u>

19 Basic and diluted loss per share

Basic loss per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue at the reporting date.

The following reflects the loss and share data used in the basic loss per share computations:

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Net profit/losses attributable to owners	5,576,278	232,901
Weighted average number of shares for the year	1,284,085	1,284,085
Basic and diluted loss per share	<u>434.26</u>	<u>18.14</u>

20 Net (loss)/gain on available-for-sale financial assets

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>	<u>01-Jan-22</u>
Fair value loss on available-for-sale financial assets	163,319	109,781	(6,695)
Gain on disposal	-	-	-
Impairment recycled through p or l	-	-	-
	<u>163,319</u>	<u>109,781</u>	<u>(6,695)</u>

Notes to the Financial Statements - Continued

21 Cash and cash equivalents

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Cash in hand	-	1,111	1,111	1,505	352	369
Cash and bank balances	-	67,470	67,470	3,139,464	5,197,921	32,969
Short term deposits	-	169,667	169,667	1,270,651	72,051	100,083
ECL impairment (note 21.1)	-	-	(12,431)	(10,416)	(15,639)	(12,196)
Derecognition on lost of control of subsidiary	-	(238,248)	-	-	-	-
	-	-	225,817	4,401,204	5,254,685	121,225
Current	-	-	225,817	4,401,204	5,254,685	121,225
Non-current	-	-	-	-	-	-
	-	-	225,817	4,401,204	5,254,685	121,225
Of the cash and cash equivalents, the following are related to insurance funds						
Policyholder insurance funds	-	-	121,225	4,401,204	254,685	121,225
Shareholders' funds	-	-	104,592	-	5,000,000	-
	-	-	225,817	4,401,204	5,254,685	121,225

21.1 ECL impairment on cash and cash equivalents

At Beginning of year	-	12,431	8,347	12,196	12,196	8,112
Changes during the year (note 13)	-	(12,431)	4,084	(5,223)	3,443	4,084
At End of year	-	-	12,431	6,973	15,639	12,196

21.2 Cash and Cash Equivalents for Cash flow

Cash and bank balances	-	-	68,489	3,140,454	5,198,181	33,246
Short term deposits	-	-	157,328	1,260,750	56,504	87,979
	-	-	225,817	4,401,204	5,254,685	121,225

The carrying value of cash and cash equivalent approximates fair value. Short-term deposits are various deposits with commercial banks for varying period of one to ninety days (1 - 90 days), depending on the immediate cash requirements of the Company.

The effective interest rate on short-term deposits is 9%. The cash and bank balances are the current account balances with bank deposit balances of the Company. Short-term deposits are various deposits with commercial banks for varying periods of one to ninety days (1-90days), depending on the immediate cash requirements of the Company.

22 Financial assets

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Financial assets at Fair Value through Profit or Loss (see note 22.1, below)	-	-	92,255	110,415	89,492	92,255
Financial assets at Fair Value through Other comprehensive income (see note 22.2, below)	-	-	240,586	513,687	350,368	240,586
Financial assets at Amortised Cost (see note 22.3, below)	-	-	-	3,614,705	-	-
	-	-	332,841	4,238,807	439,860	332,841
Current	-	-	332,841	4,238,807	439,860	332,841
Non-current	-	-	-	-	-	-
	-	-	332,841	4,238,807	439,860	332,841
Policyholder insurance funds	-	-	332,841	2,238,807	439,860	332,841
Shareholders' funds	-	-	-	2,000,000	-	-
	-	-	332,841	4,238,807	439,860	332,841

Notes to the Financial Statements - Continued

22.1 Financial assets at Fair Value through Profit or Loss

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	92,255	93,609	89,492	92,255	93,609
Purchase/(Disposal)during the year	-	-	-	(14,546)	-	-
Net realised gain/(loss) (see note 10)	-	-	-	23,282	-	-
Net fair value (loss)/gain (see note 10)	-	-	(1,354)	12,187	(2,763)	(1,354)
Derecognition on lost of control of subsidiary	-	(92,255)	-	-	-	-
At End of year	-	-	92,255	110,415	89,492	92,255

22.2 Financial assets at Fair Value through Other comprehensive income

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Heritage Banking Company Limited	-	-	-	15,243	15,243	-
WAICA RE	-	-	116,865	444,206	249,107	116,865
EAI PN	-	-	122,177	52,694	84,474	122,177
First Aluminium	-	-	1,294	1,294	1,294	1,294
West Africa Glass Industry	-	-	250	250	250	250
	-	-	240,586	513,687	350,368	240,586
Movement in FVOCI/AFS						
At Beginning of year	-	240,586	247,281	240,586	240,586	247,281
Additions/(Disposal)	-	-	-	-	-	-
Fair value Gain/(loss) (see note 20)	-	-	(6,695)	163,319	109,782	(6,695)
Derecognition on lost of control of subsidiary	-	(240,586)	-	-	-	-
At End of year	-	-	#####	#####	350,368	240,586

22.3 Debts Instrument at amortised cost

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	-	-	-	-	-
Additions during the year	-	-	-	3,614,705	-	-
At End of year	-	-	-	3,614,705	-	-

23 Trade receivables

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	156,687	156,687	-	-	-
Gross Premium written	-	-	-	5,127,722	881,559	646,872
Premium Received from policy holders	-	-	-	(5,119,082)	(881,559)	(646,872)
Premium deposit received in previous year	-	-	-	-	-	-
Derecognition on lost of control of subsidiary	-	(156,687)	-	-	-	-
At End of year	-	-	156,687	8,640	-	-

Age analysis of Premium receivable	No. of Policies	Company		
		31-Dec-23	31-Dec-22	01-Jan-22
(i) Within 14 Days	7	1,378	-	-
(ii) Within 15 - 30 Days	8	7,262	-	-
(iii) Within 31 - 90 Days		-	-	-
(iv) Within 91 Days		-	-	-
Above 180 Days		-	-	-
		8,640	-	-

All the outstanding premiums were paid on or before January 31, 2024

Notes to the Financial Statements - Continued

24 Reinsurance contract assets

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Reinsurance share on outstanding claims (see note 24.2, below)	-	-	138,562	128,234	131,034	138,562
Reinsurance share of IBNR -(see note 24.3, below)	-	-	51,418	49,341	11,933	51,418
Reinsurance Risk adjustment (see note 24.4, below)	-	-	2,849	2,480	1,883	2,849
Pre-Paid Re-insurance (see note 24.5, below)	-	-	11,898	73,638	15,415	11,898
Prepaid Minimum and Deposit premium (see note 24.6, below)	-	-	4,030	18,250	67,063	4,030
Total Reinsurance contract assets	-	-	208,757	271,943	227,328	208,757

24.1 Movement in Reinsurance contract assets

In thousands of naira

31-Dec-23	Reinsurance share of outstanding claims	Reinsurance share of IBNR	Reinsurance Risk adjustment	Pre-Paid Re-insurance	Prepaid Minimum and Deposit premium	Total
At 1 January 2023	131,034	11,933	1,883	15,415	67,063	227,328
Reinsurance premium paid during the year	-	-	-	335,374	18,250	353,624
Amortized during the year (see note 8)	-	-	-	(277,151)	(67,063)	(344,214)
Charges during the year (see note 8.1)	(2,800)	37,408	-	-	-	35,205
Changes in Risk Adjustment -Reinsurance on recoverable (see note 8)	-	-	597	-	-	-
At 31 December 2023	128,234	49,341	2,480	73,638	18,250	271,943

31-Dec-22	Reinsurance share of outstanding claims	Reinsurance share of IBNR	Reinsurance Risk adjustment	Prepaid Reinsurance	Prepaid Minimum and Deposit premium	Total
At 1 January 2022	138,562	51,418	2,849	11,898	4,030	208,757
Reinsurance premium paid during the year	-	-	-	116,153	67,063	183,216
Amortized during the year (see note 8)	-	-	-	(112,636)	(4,030)	(116,666)
Movement during the year charged to P or L (see note 8.1)	(7,528)	(39,485)	(966)	-	-	(47,979)
At 31 December 2022	131,034	11,933	1,883	15,415	67,063	227,328

24.2

Reinsurance share on outstanding claims

<i>In thousands of naira</i>	At Jan 1, 2022	Increase/ (Decrease)	At Dec 31, 2022	Increase/ (Decrease)	At Dec 31, 2023
Fire	45,476	37,816	83,292	(38,757)	44,535
Motor	-	-	-	-	-
General Accident	73,955	(45,344)	28,611	17,609	46,220
Marine	19,131	-	19,131	2,638	21,769
Bonds	-	-	-	15,710	15,710
Oil & Energy	-	-	-	-	-
	138,562	(7,528)	131,034	(2,800)	128,234

Notes to the Financial Statements - Continued

24.3 Reinsurance share of IBNR

<i>In thousands of naira</i>	At Jan 1, 2022	Increase/ (Decrease)	At Dec 31, 2022	Increase/ (Decrease)	At Dec 31, 2023
Fire	30,465	(26,475)	3,990	514	4,504
Motor	-	-	-	13,052	13,052
General Accident	18,909	(15,665)	3,244	21,234	24,478
Marine	2,040	2,659	4,699	(4,699)	-
Bonds	4	(4)	-	7,307	7,307
Oil & Energy	-	-	-	-	-
	51,418	(39,485)	11,933	37,408	49,341

24.4 Reinsurance Risk adjustment

<i>In thousands of naira</i>	At Jan 1, 2022	Increase/ (Decrease)	At Dec 31, 2022	Increase/ (Decrease)	At Dec 31, 2023
Fire	1,709	(836)	873	(78)	795
Motor	-	-	-	261	261
General Accident	928	(156)	772	171	943
Marine	212	26	238	97	335
Bonds	-	-	-	146	146
Oil & Energy	-	-	-	-	-
	2,849	(966)	1,883	597	2,480

24.5 Pre-Paid Re-insurance

<i>In thousands of naira</i>	At Jan 1, 2022	At Dec 31, 2022	At Dec 31, 2023
Fire	3,906	6,429	21,426
Motor	-	-	-
General Accident	3,391	2,768	27,480
Marine	4,601	6,218	20,960
Bonds	-	-	3,772
Oil & Energy	-	-	-
	11,898	15,415	73,638

24.6 Prepaid Minimum and Deposit premium

<i>In thousands of naira</i>	At Jan 1, 2022	Increase/ (Decrease)	At Dec 31, 2022	Increase/ (Decrease)	At Dec 31, 2023
Fire	3,000	7,000	10,000	750	10,750
Motor	1,030	6,470	7,500	-	7,500
General Accident	-	-	-	-	-
Marine	-	-	-	-	-
Bonds	-	-	-	-	-
Oil & Energy	-	-	49,563	49,563	-
	4,030	13,470	67,063	50,313	18,250

Notes to the Financial Statements - Continued

25 Other receivables <i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
(I) Financial assets:						
Receivable from Norrenberger Asset Management Ltd.	-	-	-	-	905,615	-
Transfer to staff loan balance	-	240	240	-	-	240
Sundry receivables	-	17,478	17,478	60,008	11,707	11707
Balance on Staff loans and Advances	-	-	-	-	548	-
Revised due to derecognition on lost of control of subsidiary	-	(17,718)	-	-	-	-
	-	-	17,718	60,008	917,870	11,947
(ii) Non-financial assets:						
Prepayments	-	-	481,154	228,666	88,566	163
	-	-	481,154	228,666	88,566	163
Less:						
impairment allowance on:						
Financial assets:						
Sundry receivables	-	-	(10,179)	(10,179)	(10,179)	(10,179)
	-	-	(10,179)	(10,179)	(10,179)	(10,179)
Net Other receivables and prepayments	-	-	488,693	278,495	996,257	1,931
Current	-	-	481,154	220,476	907,692	1,768
Non-current	-	-	7,539	58,019	88,565	163
	-	-	488,693	278,495	996,257	1,931
26(a) Investment in Subsidiary <i>In thousands of naira</i>						
Norrenberger Pensions Limited	-	-	-	-	-	1,000,000
	-	-	-	-	-	1,000,000
(i) Movement in Investment in Subsidiary						
At Beginning of year	-	-	-	-	1,000,000	1,000,000
Revised due to derecognition on lost of control of subsidiary	-	-	-	-	(1,000,000)	-
At End of year	-	-	-	-	-	1,000,000
(ii) Loss of control in Norrenberger Pensions Limited						
Norrenberger Pensions Limited (NPL) formerly IEIAnchor Pension Managers Limited was a subsidiary to IEI Plc with 81% shareholding. In 2022, IEIAnchor Pension Managers Limited was acquired by Norrenberger Advisory Partners Limited. During the year 2022, Norrenberger Pensions Limited raised paid-up capital thus increasing their share capital and diluting IEI Plc's holding which resulted in loss of control. IEI Plc now recognises its investment in Norrenberger Pensions Limited as an associate with an equity interest of 29% which is accounted for using equity accounting in line with IAS 28 - Investments in associates and Joint						
26(b) Investment in Associate Company - NPL						
<i>In thousands of naira</i>						
At Beginning of year						
Norrenberger Pensions Limited				876,522	1,000,000	1,000,000
Attributable Share of profit or loss				-	(123,478)	-
Disposal of associate company (see note 17)				(876,522)	-	-
At End of year				-	876,522	1,000,000

During the year 2023, the company has disposed off investment in associate company - Norrenberger Pensions Limited for a consideration of the sum of N1.4billion (See note 17)

Notes to the Financial Statements - Continued

27 Investment properties

In thousands of naira

At Beginning of year

Additions during the year (see note 27(b))

Transfer/Reclassification (see note 27(b))

Disposal of property (see note 27(b))

Net fair value adjustments

At End of year

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	-	3,617,500	4,880,000	3,822,250	3,617,500
Additions during the year (see note 27(b))	-	-	-	12,302	-	-
Transfer/Reclassification (see note 27(b))	-	-	-	1,491,244	1,260,430	-
Disposal of property (see note 27(b))	-	-	-	-	(2,169,000)	-
Net fair value adjustments	-	-	204,750	(9,931)	1,966,320	204,750
At End of year	-	-	3,822,250	6,373,615	4,880,000	3,822,250

Further analysis and details of the investment properties including their location are stated below. These includes the carrying amount and the corresponding fair value adjustments recognized in the profit or loss.

Description of properties

In thousands of naira

IEI Ibadan Estate, Liberty Road, Oke Ado, Ibadan

Rabbah Road, Kaduna, Kaduna State

8, Ohaeto Street, D-Line, Port Harcourt, Rivers State

14, Aba Road, Port Harcourt, Rivers State

Plot 294 Jide Oki Street, Victoria Island, Lagos

3A Oshunkeye, off Apapa Oshodi Expressway Gbagada Lagos State

7 Onistha- Aba Benin Expressway Asaba, Delta State

Ugbo- Enyi- Nike, Enugu Local Government, Enugu State

	31-Dec-23	31-Dec-22	01-Jan-22	Status of Title
IEI Ibadan Estate, Liberty Road, Oke Ado, Ibadan	1,384,616	1,200,000	1,457,250	Undergoing Perfection
Rabbah Road, Kaduna, Kaduna State	115,000	110,000	196,000	Undergoing Perfection
8, Ohaeto Street, D-Line, Port Harcourt, Rivers State	74,000	70,000	-	Undergoing Perfection
14, Aba Road, Port Harcourt, Rivers State	3,150,000	3,500,000	-	Undergoing Perfection
Plot 294 Jide Oki Street, Victoria Island, Lagos	1,650,000	-	-	Undergoing Perfection
3A Oshunkeye, off Apapa Oshodi Expressway Gbagada Lagos State	-	-	1,544,000	Disposed
7 Onistha- Aba Benin Expressway Asaba, Delta State	-	-	525,000	Disposed
Ugbo- Enyi- Nike, Enugu Local Government, Enugu State	-	-	100,000	Disposed
	6,373,616	4,880,000	3,822,250	

Notes to the Financial Statements - Continued

Valuation techniques used for fair valuation of investment properties

This represents the Company's investment in building and landed property for the purpose of capital appreciation. The investment properties are stated at fair value, which has been determined based on valuations performed by a qualified estate surveyor. The investment properties were independently valued by Messrs Osas & Oseji (a registered estate surveyor & valuer) with FRC Number FRC/2012/00000000522 and Messrs Benson Omoruyi & Co (a registered estate surveyor & valuer) with FRC Number FRC/2013/NIESV/00000003307 as at 31 December 2023, based on valuation model in accordance with that recommended by the International Valuation Standards Committee. The determination of fair value of the investment property was supported by market evidence.

(b) The movement in investment properties are as follows;

Description/Location	IEI Ibadan Estate, Liberty Road, Oke Ado, Ibadan	Rabbah Road, Kaduna, Kaduna State	8, Ohaeto Street, D-Line, Port Harcourt, Rivers State	14, Aba Road, Port Harcourt, Rivers State	Plot 294 Jide Oki Street, Victoria Island, Lagos	3A Oshunkeye, off Apapa Oshodi Expressway Gbagada Lagos State	7 Onistha-Abba Benin Expressway Asaba, Delta State	Ugbo-Enyi-Nike, Enugu Local Government, Enugu State	Closing Balance
<i>In thousands of naira</i>									
At 1 January 2021	1,457,250	196,000	-	-	-	1,544,000	525,000	100,000	3,822,250
Additions during the year	-	-	82,450	1,177,980	-	-	-	-	1,260,430
Disposal of property	-	-	-	-	-	(1,544,000)	(525,000)	(100,000)	(2,169,000)
Revaluation Gain/(loss)	(257,250)	(86,000)	(12,450)	2,322,020	-	-	-	-	1,966,320
At 31 December 2022	1,200,000	110,000	70,000	3,500,000	-	-	-	-	4,880,000
Additions during the year	12,002	300	-	-	-	-	-	-	12,302
Transfers during the year (see note 29)	-	-	-	-	1,491,244	-	-	-	1,491,244
Revaluation Gain/(loss)	172,613	4,700	4,000	(350,000)	158,756	-	-	-	(9,931)
At 31 December 2023	1,384,615	115,000	74,000	3,150,000	1,650,000	-	-	-	6,373,615

Notes to the Financial Statements - Continued

28 Intangible assets

In thousands of naira

Cost:

At 1 January 2022

Additions

Revised due to derecognition of subsidiary

At 31 December 2022

Additions

At end of the year

Accumulated amortisation:

At 1 January 2022

Charge during the year

Revised due to derecognition of subsidiary

At 31 December 2022

Charge during the year

At end of the year

Carrying amount:

At 31st December 2023

At 31st December 2022

At 1st January 2022

	<u>Group</u>	<u>Company</u>
At 1 January 2022	87,894	10,790
Additions	-	2,366
Revised due to derecognition of subsidiary	(87,894)	-
At 31 December 2022	-	13,156
Additions	-	36,715
At end of the year	<u>-</u>	<u>49,871</u>
Accumulated amortisation:		
At 1 January 2022	70,728	10,790
Charge during the year	-	20.00
Revised due to derecognition of subsidiary	(70,728)	-
At 31 December 2022	-	10,810
Charge during the year	-	1,507
At end of the year	<u>-</u>	<u>12,317</u>
Carrying amount:		
At 31st December 2023	<u>-</u>	<u>37,554</u>
At 31st December 2022	<u>-</u>	<u>2,346</u>
At 1st January 2022	<u>17,066</u>	<u>-</u>

29 Property, plant and equipment

Group

<i>In thousands of naira</i>	Land	Buildings	Plant and machinery	Motor vehicles	Furniture, fittings, office & computer equipment	Leasehold Improvement	Total
Cost/valuation:	1,090,457	2,383,544	122,487	422,596	514,312	19,000	4,552,396
Accumulated depreciation:	-	55,263	120,180	389,004	448,486	19,000	1,031,933
At 1 January 2022	1,090,457	2,328,281	2,307	33,592	65,826	-	3,520,463
Revised due to derecognition on lost of control of subsidiary	(1,090,457)	(2,328,281)	(2,307)	(33,592)	(65,826)	-	(3,520,463)
31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - Continued

29 Property, plant and equipment - Continued Company

<i>In thousands of naira</i>	Land	Buildings	Plant and machinery	Motor vehicles	Furniture, fittings, office & computer equipment	Leasehold Improvement	Total
Cost/valuation:							
At 1 January 2022	1,090,457	1,994,544	105,864	191,243	208,392	-	3,590,500
Additions	-	-	32,642	35,000	121,878	-	189,520
Disposal	-	-	-	-	(261)	-	(261)
Transfer/reclassification/Revaluation	(466,009)	(1,118,991)	-	-	-	-	(1,585,000)
At 1 January 2023	624,448	875,553	138,506	226,243	330,009	-	2,194,759
Additions	-	-	21,368	281,055	372,673	-	675,096
Disposals	-	-	(810)	(375)	(16,712)	-	(17,897)
Transfer/Reclassification to Investment property	(624,448)	(875,553)	-	-	-	-	(1,500,001)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At end of the year	-	-	159,064	506,923	685,970	-	1,351,957
Accumulated depreciation:							
At 1 January 2022	-	39,891	105,511	191,243	205,817	-	542,462
Charge for the year	-	16,945	699	1,458	7,812	-	26,914
Disposal	-	-	-	-	(261)	-	(261)
Transfer/Reclassification to Investment property	-	(48,080)	-	-	-	-	(48,080)
At 1 January 2023	-	8,756	106,210	192,701	213,368	-	521,035
Charge for the year	-	-	7,581	41,800	27,627	-	77,008
Disposals	-	-	(810)	(375)	(16,671)	-	(17,856)
Reversal of accumulated depreciation	-	(8,756)	-	-	-	-	(8,756)
Write-off/retired	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At end of period	-	-	112,981	234,126	224,324	-	571,432
Carrying value							
31 December 2023	-	-	46,083	272,797	461,646	-	780,525
31 December 2022	624,448	866,797	32,296	33,542	116,641	-	1,673,724
01 January 2022	1,090,457	1,954,653	353	-	2,575	-	3,048,038

Notes to the Financial Statements - Continued

30 Statutory deposit

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Minimum statutory deposit	-	322,500	322,500	322,500	322,500	322,500
Revised due to derecognition on lost of control of subsidiary	-	(322,500)	-	-	-	-
	-	-	322,500	322,500	322,500	322,500
Current	-	-	-	-	-	-
Non-current	-	-	322,500	322,500	322,500	322,500
	-	-	322,500	322,500	322,500	322,500

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9 (1) and Section 10 (3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and attract interest rate at a rate determined by the Central Bank of Nigeria.

31 Insurance contract liabilities

In thousands of naira

	31-Dec-23	31-Dec-22	01-Jan-22
Liability for Remaining Coverage (see note 31.1 below)	2,842,446	432,900	310,249
Insurance Acquisition Cash flow (see note 31.2)	(48,899)	(12,472)	(9,146)
Liability for Incurred Claims (see note 31.3 below)	2,001,431	3,727,424	3,751,516
Incurred But Not Reported (IBNR)	183,602	121,785	143,148
Risk adjustment	43,701	38,492	38,947
Loss Component (see note 31.7 below)	19,784	912	2,014
Discount adjustment	19,312	9,007	-
	5,061,377	4,318,048	4,236,728

31.1 Liability for Remaining Coverage

In thousands of naira

	At Jan 1, 2022	Increase/ (Decrease)	At Jan 1, 2023	Increase/ (Decrease)	At Dec 31, 2023
Fire	4,567	536	5,103	25,313	30,416
Motor	288,293	116,441	404,734	2,330,655	2,735,389
General Accident	9,684	5,882	15,566	20,779	36,345
Marine	7,560	(77)	7,483	29,887	37,370
Bonds	145	(131)	14	2,912	2,926
Oil & Energy	-	-	-	-	-
	310,249	122,651	432,900	2,409,546	2,842,446

Notes to the Financial Statements - Continued

31.2 Insurance Acquisition Cash flow

In thousands of naira

	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	12,472	9,146	10,462
Acquisition cost during the year	117,401	36,770	30,564
Amortized during the year (see note 7c)	(80,974)	(33,444)	(31,880)
At End of year	48,899	12,472	9,146

In thousands of naira

	At Jan 1, 2022	At Jan 1, 2023	At Dec 31, 2023
Fire	724	875	5,984
Motor	5,424	7,352	28,902
General Accident	1,723	2,994	6,929
Marine	1,253	1,249	6,581
Bonds	22	2	503
Oil & Energy	-	-	-
	9,146	12,472	48,899

31.3 Liability for Incurred Claims

In thousands of naira

	At Jan 1, 2022	Increase/ (Decrease)	At Jan 1, 2023	Increase/ (Decrease)	At Dec 31, 2023
Fire	162,343	(40,664)	121,679	(86,447)	35,232
Motor	224,095	36,462	260,557	(219,942)	40,615
General Accident	462,633	112	462,745	(440,035)	22,710
Marine	97,918	(20,002)	77,916	(25,239)	52,677
Bonds	256,582	-	256,582	(165,336)	91,246
Oil & Energy	2,547,945	-	2,547,945	(788,994)	1,758,951
	3,751,516	(24,092)	3,727,424	(1,725,993)	2,001,431

31.4 Incurred but not reported (IBNR)

In thousands of naira

	At Jan 1, 2022	Increase/ (Decrease)	At Jan 1, 2023	Increase/ (Decrease)	At Dec 31, 2023
Fire	33,850	(28,530)	5,320	12,699	18,019
Motor	29,392	4,111	33,503	(3,841)	29,662
General Accident	51,106	(30,831)	20,275	42,488	62,763
Marine	8,159	(57)	8,102	9,222	17,324
Bonds	38	28,608	28,646	(7,154)	21,492
Oil & Energy	20,603	5,336	25,939	8,403	34,342
	143,148	(21,363)	121,785	61,817	183,602

Notes to the Financial Statements - Continued

31.5 Discount adjustment

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>	<u>01-Jan-22</u>
At Beginning of year	9,007	-	-
Charge during the year	10,305	9,007	-
At End of year	<u>19,312</u>	<u>9,007</u>	<u>-</u>

	<u>31-Dec-23</u>	<u>Finance Cost</u>	<u>31-Dec-22</u>
Fire	2,580	450	2,130
Motor	4,685	2,835	1,850
General Accident	4,932	1,716	3,216
Marine	1,198	685	513
Bonds	2,426	2,424	2
Oil & Energy	3,491	2,195	1,296
	<u>19,312</u>	<u>10,305</u>	<u>9,007</u>

31.6 Risk adjustment

	At Jan 1, 2022	Increase/ (Decrease)	At Jan 1, 2023	Increase/ (Decrease)	At Dec 31, 2023
Fire	1,962	(692)	1,270	(205)	1,065
Motor	2,535	406	2,941	(1,535)	1,406
General Accident	5,137	(307)	4,830	(3,121)	1,709
Marine	1,061	(201)	860	540	1,400
Bonds	2,566	286	2,852	(597)	2,255
Oil & Energy	25,686	53	25,739	10,127	35,866
	<u>38,947</u>	<u>(455)</u>	<u>38,492</u>	<u>5,209</u>	<u>43,701</u>

31.7 Loss Component

In thousands of naira

	<u>31-Dec-23</u>	<u>31-Dec-22</u>	<u>01-Jan-22</u>
At 1 January	2,926	2,014	-
Charge during the year	19,784	912	2,014
At 31 December	<u>22,710</u>	<u>2,926</u>	<u>2,014</u>

	At Jan 1, 2022	At Jan 1, 2023	At Dec 31, 2023
Fire	2,092	912	19,784
Motor	-	-	-
General Accident	-	-	-
Marine	-	-	-
Bonds	11	-	-
Oil & Energy	-	-	-
	<u>2,103</u>	<u>912</u>	<u>19,784</u>

Notes to the Financial Statements - Continued

31.8 2023 Age Analysis of Reported Claims is as follows:

In thousands of naira

S/N	Days	No. of Claimants	Total
1	0 - 90days	93	37,398
2	91 - 180days	53	5,327
3	181 - 270days	-	-
4	271 - 365days	-	-
5	Above 365 days	169	2,186,008
	Total	333	2,228,733

(i) Reasons for claims outstanding as at year end:

	0 - 90days	91 - 180days	181 - 270days	271 - 365days	Above 365 days	Total
Awaiting discharge voucher	37,398	-	-	-	412,102	449,500
Awaiting final report from adjuster	-	-	-	-	-	-
Awaiting lead insurer's instruction	-	-	-	-	-	-
Awaiting outstanding document	-	5,327	-	-	1,773,906	1,779,233
Claims repudiated	-	-	-	-	-	-
Total reported claims	37,398	5,327	-	-	2,186,008	2,228,733

31.9 2022 Age Analysis of Reported Claims is as follows:

In thousands of naira

S/N	Days	No. of Claimants	Total
1	0 - 90days	-	-
2	91 - 180days	-	-
3	181 - 270days	-	-
4	271 - 365days	1	900
5	Above 365 days	2,548	3,739,882
	Total		3,740,782

(i) Reasons for claims outstanding as at year end:

	0 - 90days	91 - 180days	181 - 270days	271 - 365days	Above 365 days	Total
Awaiting discharge voucher	-	-	-	-	1,049,543	1,049,543
Awaiting final report from adjuster	-	-	-	-	-	-
Awaiting lead insurer's instruction	-	-	-	-	801,325	801,325
Awaiting outstanding document	-	-	-	900	1,889,014	1,889,914
Claims repudiated	-	-	-	-	-	-
Total reported claims	-	-	-	900	3,739,882	3,740,782

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 (Alexander Forbes Financial Services) certified firm of actuaries with FRC registration number FRC/2013/0000000000504 and FRC/2021/002/00000002507 (Partner).

Management believes that the carrying amount of insurance liabilities represents a reasonable approximation of fair value.

Methodology Used for Insurance Contract Liabilities

A Liability for remaining coverage

Unearned Premium (UPR)

The Liability for remaining coverage was calculated using a time-apportionment basis using the 365th method.

Insurance Acquisition Cashflows (IACF)

The same approach was taken as for the calculation of the UPR balance.

Loss Component (LC)

IEI Plc calculated the LC based on profitability assessment of each class of business.

Notes to the Financial Statements - Continued

32 Claims development

Gross claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2023

	Accident Year					
	2019	2020	2021	2022	2023	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
End of accident year	975,014	865,890	1,069,739	1,761,569	1,567,890	-
1 year later	1,565,234	1,267,124	567,100	879,011	-	-
2 years later	1,500,231	-	-	-	-	-
3 years later	-	-	-	-	-	-
4 years later	-	-	-	-	-	-
5 years later	-	-	-	-	-	-
Cumulative gross claims and other directly attributable expenses paid	1,500,231	1,267,124	567,100	879,011	1,567,890	5,781,356
Gross cumulative claims liabilities – accident years from 2019 to 2023	-	-	-	-	-	-
Gross cumulative claims liabilities – prior accident years	(1,119,214)	(830,444)	(689,010)	(442,599)	(688,826)	
Effect of discounting						
Effect of the risk adjustment margin for non-financial risk	990,168	(1,119,214)	(830,444)	(689,010)	(688,826)	-3,770,093
Gross LIC for the contracts originated	990,168	(738,197)	(393,764)	(810,920)	(6,187)	2,001,431

The Company provides information on the gross and net claims development for the current reporting period and five years prior to it. The Company considers that there is no significant uncertainty with regard to claims that were incurred more than five years before the reporting period.

Net claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a net of reinsurance basis as at 31 December 2023.

	Accident Year					
	2019	2020	2021	2022	2023	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
End of accident year	1,750,955	975,014	865,890	1,069,739	1,761,569	-
1 year later	1,790,134	1,565,234	1,267,124	567,100	-	-
2 years later	1,767,133	443,341	-	-	-	-
3 years later	345,678	-	-	-	-	-
4 years later	-	-	-	-	-	-
5 years later	-	-	-	-	-	-
Cumulative gross claims and other directly attributable expenses paid	345,678	443,341	223,400	567,100	456,789	2,036,308
Gross cumulative claims liabilities – accident years from 2019 to 2023	-	-	-	-	-	-
Gross cumulative claims liabilities – prior accident years	-	1,119,214	830,444	689,010	247,877	303,303
Effect of discounting						
Effect of the risk adjustment margin for non-financial risk	100,891	1,119,214	830,444	689,010	247,877	303,303
Net LIC for the contracts originated	100,891	773,536	387,103	465,610	319,223	-

Notes to the Financial Statements - Continued

32 Trade payables

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Reinsurance payable	-	266,067	104,562	4,987	6,508	27,919
Deposit premium (see note 32.1 below)	-	-	161,505	235,054	181,312	161,505
Derecognition on lost of control of subsidiary		(266,067)	-	-	-	-
	-	-	266,067	240,041	187,820	189,424

32.1 Movement in premium deposit

At Beginning of year	-	161,505	156,187	181,312	161,505	156,187
Additions during the year	-	-	5,318	114,946	19,807	5,318
Transfer to other Income	-	-	-	(61,204)	-	-
Derecognition on lost of control of subsidiary	-	(161,505)	-	-	-	-
At End of year	-	-	161,505	235,054	181,312	161,505

(a) Deposit Premium represents various receipts from all other "online" bank transactions. They are classified as "uncleared reconciling items" for lack of full details of such transactions, as at the date when the transactions was initiated.

33 Provisions and other payables

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Staff pension	-	-	177,197	26,530	129,199	177,190
Accruals (see note 33.1)	-	-	513,631	802,822	310,622	487,674
Sundry creditors (see note 33.2)	-	-	483,140	1,028,646	1,530,945	430,771
Unclaimed dividend (see note 33(i), below)	-	-	64,211	64,211	64,211	64,211
	-	-	1,238,179	1,922,209	2,034,977	1,159,846

Notes to the Financial Statements - Continued

33.1 Accruals comprise:

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Accrued expenses (see note 33.2, below)	-	-	423,000	773,987	263,714	397,043
Professional fees	-	-	64,528	-	-	64,528
Rent Received in advance	-	-	15,793	22,220	21,743	15,793
Audit fee	-	-	10,310	6,615	25,165	10,310
	-	-	513,631	802,822	310,623	487,674

33.2 Accrued Expenses comprises of the following

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Advertisement	-	-	-	-	450	-
Ecowas Brown Card	-	-	-	259,179	-	-
Productivity Bonus	-	-	-	350,602	-	-
Survey fees	-	-	204	-	154	204
Courier Services	-	-	312	-	-	312
Motor Running	-	-	868	30	450	868
Repairs & Maintenance	-	-	1,267	-	343	1,267
Rent & Rates	-	-	2,470	-	-	2,470
ICT & Internet subscription	-	-	9,162	17,584	29,077	9,162
Staff Training & Subscriptions	-	-	30,706	-	4,324	30,706
Directors remuneration	-	-	35,964	-	67,500	35,964
Staff allowances	-	-	39,058	-	14,115	39,058
Statutory levies & Dues	-	-	72,322	51,127	19,882	72,322
Legal & Professional fees	-	-	85,507	95,465	117,145	85,507
Salary Control - Outstanding salaries	-	-	119,203	-	10,274	119,203
	-	-	397,042	773,987	263,714	397,043

Notes to the Financial Statements - Continued

33 Provisions and other payables (contd)

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
33.3 Sundry creditors comprise:						
Amount due to NACML	-	-	-	651,930	1,157,768	-
IEIAnchor Pension	-	-	46,180	-	-	46,180
Staff cooperative	-	-	64,113	8,036	43,716	64,113
Other creditors	-	-	372,847	368,680	329,460	320,478
	-	-	483,140	1,028,646	1,530,945	430,771

34 Current income tax liabilities

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	-	525,522	307,162	511,081	512,464
Current year charge (see note 24.1)	-	-	4,648	197,100	8,671	1,617
Payment made during the year	-	-	(4,304)	(105,817)	(212,590)	(3,000)
At End of year	-	-	525,866	398,445	307,162	511,081
34.1 Income tax expenses:						
Company income tax						
Minimum tax	-	-	1,922	39,304	8,671	1,617
Education tax	-	-	2,201	49,726	-	-
Information technology development levy	-	-	525	63,911	-	-
Police Trust Fund Levy	-	-	-	313	-	-
Capital Gain Tax	-	-	-	40,000	-	-
Stamp Duty	-	-	-	3,846	-	-
	-	-	4,648	197,100	8,671	1,617
Deferred tax expense						
Origination and reversal of temporary differences	-	-	3,587	-	-	-
	-	-	8,235	197,100	8,671	1,617

Notes to the Financial Statements - Continued

Reconciliation of effective tax rate

In thousands of naira

	31-Dec-23	31-Dec-22
Profit from continuing operations	5,773,378	1,448,079
Analysis of tax charge for the year		
Profit/(loss) before tax	5,773,378	241,572
Taxable Income	3,597,567	1,195,402
Tax free Income	(568,565)	(674,818)
Taxable Profit	3,029,002	520,584
Income tax	39,304	8,671
Education tax at 3%	49,726	-
Information technology development levy	63,911	-
Police Trust Fund Levy	313	-
Capital Gain Tax	40,000	-
Stamp Duty	3,846	-
Current tax on income for the year	197,099	8,671
Deferred tax charge (temporary difference)	-	-
Tax on profit on ordinary activities	197,099	8,671
Effective Tax Rate	5%	1%

35 Deferred taxation

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At beginning of year	-	246,476	246,476	206,209	206,209	206,209
Deferred income tax expense recognised in profit or loss	-	-	-	-	-	-
Revised due to derecognition on lost of control of subsidiary		(246,476)		-	-	-
At End of year	-	246,476	246,476	206,209	206,209	206,209

Notes to the Financial Statements - Continued

36 Lease obligation

In thousands of naira

	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At 1 January	-	-	-	-	-	-
Lease during the year	-	-	-	89,603	-	-
Payment made during the year	-	-	-	(46,214)	-	-
At End of year	-	-	-	43,389	-	-

37 Borrowings

In thousands of naira

	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Daewoo Securities (Europe) Limited (Note 37.1)	-	-	14,092,842	9,826,152	14,092,842	14,092,842
Term- loan Fidelity Bank	-	-	26,500	-	-	-
Revised due to derecognition on lost of control of subsidiary	-	-	(14,119,342)	-	-	-
	-	-	-	9,826,152	14,092,842	14,092,842

37.1 Daewoo Securities (Europe) Limited

At 1 January	-	-	14,092,842	14,092,842	14,092,842	14,092,842
Exchange rate differences (see note 12)	-	-	-	(770,653)	-	-
14)	-	-	-	(3,496,037)	-	-
At End of year	-	-	14,092,842	9,826,152	14,092,842	14,092,842

International Energy Insurance Plc issued a bond valued at 1,850,000,000 Japanese Yen (JPY) to Daewoo Securities (Europe) Limited who have acted as the foreign agent. The bond has a tenor of 20 years commencing on 24 January 2008 and maturing on 23 January 2028. The bond was issued at a zero coupon interest rate. A premium of 29% of the face value of the bond is payable on the maturity date.

The bond has options to subscribe to the equity of the Company for the period commencing on 25 January 2009 and closing on 24 January 2028. The option rights under clause 3 of the option agreement states that the Naira equivalent value of the bond held shall form the consideration for the shares for which the option rights are being issued.

Movement in exchange rate brought the figure to N9.8b as at 31st December 2023

The current Board is engaging the new owner of the loan to restructure the said loan by converting the loan to common equity or a combination of ordinary and preference shares. The meeting is yielding positive result.

Notes to the Financial Statements - Continued

38 Deposit for shares

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Private placement - Norrenberger Advisory Partners Ltd	-	-	-	5,000,000	5,000,000	-
Private placement - Others	-	-	279,360	29,360	279,360	279,360
Non- staff (see note 28.1 for the movement)	-	-	279,360	5,029,360	5,279,360	279,360
Staff - (see note 28.2 for the movement)	-	-	37,873	36,679	36,979	37,873
	-	-	317,233	5,066,039	5,316,339	317,233

38.1 Deposit for shares

Opening Balance - 1st January	-	-	279,360	5,279,360	279,360	279,360
Additions/(Withdrawals)	-	-	-	(250,000)	5,000,000	-
Closing Balance	-	-	279,360	5,029,360	5,279,360	279,360

Deposit for shares relates to monies received for purchase of shares in the Company awaiting allotments and approvals.

38.2 Deposit for shares - Staff

Opening Balance - 1st January	-	-	37,873	36,979	37,873	37,873
Withdrawal	-	-	-	(300)	(894)	-
Closing Balance	-	-	37,873	36,679	36,979	37,873

39 Capital and reserves

39.1 Share capital

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Authorized 1,284,085,489 ordinary shares of 50 kobo each	-	-	642,043	642,043	642,043	642,043

39.2 Share premium

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Share premium	-	-	963,097	963,097	963,097	963,097

Notes to the Financial Statements - Continued

40 Statutory contingency reserve

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year			1,629,867	1,630,192	1,603,755	1,583,143
Transfer from profit or loss			27,806	1,115,256	26,437	20,612
At End of year			1,657,673	2,745,448	1,630,192	1,603,755

41 Capital reserve

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Share premium	-	-	7,926,399	7,926,399	7,926,399	7,926,399

42 Property revaluation reserve

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At Beginning of year	-	1,507,417	1,507,417	1,206,428	1,482,917	1,482,917
Transfer from OCI (see note 29)	-	-	-	-	(276,489)	-
Derecognition on lost on control of subsidiary	-	(1,507,417)	-	-	-	-
At End of year	-	-	1,507,417	1,206,428	1,206,428	1,482,917

This reserve contains surplus on revaluation of Property, Plant and Equipment. A revaluation surplus is recorded in other comprehensive Income and credited to the property revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve

43 Fair value reserve

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
At 1 January	-	145,588	152,283	255,369	145,588	152,283
Transfer from OCI (see note 20)	-	-	(6,695)	163,319	109,781	(6,695)
Derecognition on lost on control of subsidiary	-	(145,588)	-	-	-	-
At End of year	-	-	145,588	418,688	255,369	145,588

The fair value reserve shows the effects from the fair value measurement of financial instruments. Any gains or losses on disposal are not recognised in profit or loss remains in equity.

44 Accumulated losses

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22
At Beginning of year	(24,413,703)	(24,568,857)
Opening balance adjustment (see note 54)	-	(51,309)
Restated opening balance	(24,413,703)	(24,620,166)
Transfer to contingency reserves (see note 40)	(1,115,256)	(26,437)
Transfer from profit or loss	5,576,278	232,901
At End of year	(19,952,681)	(24,413,703)

Notes to the Financial Statements - Continued

45 Related party transactions

Details of significant transactions carried out with related party during the year ended are as follows:

In thousands of naira

			<u>31-Dec-23</u>	<u>31-Dec-22</u>
	Relationship	Nature of Transactions	Transactions value	Transactions value
Norrenberger Advisory Partners Limited	Member of the Group	Insurance Services	445	-
Clear Pay Microfinance Bank Limited, formerly Fedeth MFB.	Member of the Group	Insurance Services	541	-
Norrenberger Securities Limited	Member of the Group	Insurance Services	656	-
Transkredit Finance	Member of the Group	Insurance Services	1,516	-
Norrenberger Investment & Capital Mgmt. Ltd (NAML)	Member of the Group	Insurance Services	6,086	884
Infrastructure Bank Plc	Member of the Group	Insurance Services	583	-
Norrenberger Pension Limited	Member of the Group	Insurance Services	2,861	3,069
Norrenberger Investment & Capital Mgmt. Ltd	Member of the Group	Shared Services	3,788	-
Norrenberger Pension Limited	Member of the Group	Shared Services	1,187	-
Norrenberger Securities Limited	Member of the Group	Shared Services	6,955	-
NICML & NSL (FF Towers Office Rent)	Member of the Group	Shared Services	31,333	-
Norrenberger Advisory Partners Limited	Member of the Group	Portfolio Management	100,000	-
Transkredit Finance	Member of the Group	Portfolio Management	100,000	-

Insurance and other services are at arms length.

46 Contingencies and commitments

Outstanding litigations

In the ordinary course of business, there are pending litigations involving the Company for which no provision has been made amounted to **₦209.4 million** (2022: **₦209.4 million**). However, the actions are being defended and the Directors are of the opinion that no material liability would arise therefrom.

47 Events after the reporting date

There were no events after the reporting period which could have a relevant impact on the financial statements of the Company that had not been provided for or disclosed in the financial statements.

48 Non compliance with laws and regulations

The Company contravened certain laws and regulations during the year ended December 31 2023. Details of the contraventions and penalty is as follows:

	Name of regulator	<u>31-Dec-23</u>	<u>31-Dec-22</u>
<i>In thousands of naira</i>			
Late submission of accounts	SEC	7,875	42,005
Late filing of audited accounts	NAICOM	1,790	1,155
Late filing of accounts	CAC	1,820	-
		<u>11,485</u>	<u>43,160</u>

Notes to the Financial Statements - (Continued)

49 Segment reporting

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

Following the management approach of IFRS the Company is organized into two operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable segments by product lines. These segments and their respective operations are as follows:

Non-life insurance business

The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from fire, motor, general accident, engineering, aviation, marine liability as well as oil and energy. 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

DETAILED REVENUE ACCOUNT

<i>In thousands of naira</i>	Fire	Motor	General accident	Marine	Bonds	Oil and energy	Total
31 December 2023							
Direct premium	67,051	4,803,152	93,507	115,902	12,406	-	5,092,018
Inward premium	18,692	9,202	7,017	795	-	-	35,705
Gross written premium	85,742	4,812,354	100,524	116,697	12,406	-	5,127,723
Change in Liability for Remaining Coverage	(25,313)	(2,330,655)	(20,779)	(29,887)	(2,912)	-	(2,409,546)
Insurance revenue	60,429	2,481,699	79,745	86,810	9,494	-	2,718,177
Insurance service expenses:							
Claims paid	(5,590)	(152,352)	(126,321)	(13,797)	(74,450)	(368,409)	(740,919)
Increase/(Decrease) in Liability for Incurred Claim:	86,447	219,942	440,035	25,239	165,336	788,994	1,725,993
Changes in Incurred but not Reported (IBNR)	(12,699)	3,841	(42,488)	(9,222)	7,154	(8,403)	(61,817)
Total Claims incurred	68,158	71,431	271,226	2,220	98,040	412,182	923,257
Changes in Risk Adjustment	205	1,535	3,121	(540)	597	(10,127)	(5,209)
Changes in Loss component	(912)	-	-	-	-	-	(912)
Amortization of insurance acquisition cash flows	(11,290)	(35,852)	(16,687)	(14,934)	(2,211)	-	(80,974)
Maintenance Cost	(212)	(458,272)	(13,162)	-	-	-	(471,646)
	(12,209)	(492,589)	(26,728)	(15,474)	(1,614)	(10,127)	(558,741)
Total insurance service expenses	55,949	(421,159)	244,499	(13,254)	96,426	402,055	364,516
Net expenses from reinsurance contracts held							
Re-insurance expenses incurred	(44,715)	(81,513)	(55,463)	(93,948)	(1,512)	-	(277,151)
Amortization of Minimum & Deposit premium	(10,000)	(7,500)	-	-	-	(49,563)	(67,063)
Insurance Claims Recovered from Reinsurers	120,068	53,343	75,516	93,367	(72,164)	-	270,130
Changes in Risk adjustment on reinsurance	(78)	261	171	97	146	-	597
Net expenses from reinsurance contracts held	65,276	(35,409)	20,224	(484)	(73,530)	(49,563)	(73,486)
Insurance service result	181,654	2,025,132	344,467	73,072	32,390	352,492	3,009,207

Notes to the Financial Statements - (Continued)

DETAILED REVENUE ACCOUNT

In thousands of naira

	Fire	Motor	General	Marine	Bonds	Oil and	Total
31 December 2022							
Direct premium	21,099	785,314	30,105	44,451	200	-	881,169
Inward premium	-	127	262	-	-	-	389
Gross written premium	21,099	785,441	30,367	44,451	200	-	881,559
Change in Liability for Remaining Coverage	(536)	(116,441)	(5,882)	77	131	-	(122,651)
Insurance revenue	20,563	669,000	24,485	44,528	331		758,908
Insurance service expenses:							
Claims paid	(26,650)	(71,575)	(64,502)	(18,373)	-	-	(181,100)
Increase/(Decrease) in Liability for Incurred Claims:	40,664	(36,462)	(112)	20,002	-	-	24,092
Changes in Incurred but not Reported (IBNR)	28,530	(4,111)	30,831	57	(28,608)	(5,336)	21,363
Total Claims incurred	42,544	(112,148)	(33,783)	1,686	(28,608)	(5,336)	(135,645)
Risk Adjustment	692	(406)	307	201	(286)	(53)	455
Loss component	1,102	-	-	-	-	-	1,102
Amortization of insurance acquisition cash flows	(3,599)	(17,260)	(4,588)	(7,998)	-	-	(33,444)
Maintenance Cost	-	(55,371)	(70,809)	(2,966)	-	-	(129,146)
	(1,805)	(73,036)	(75,090)	(10,763)	(286)	(53)	(161,033)
Total insurance service expenses	40,739	(185,184)	(108,873)	(9,078)	(28,894)	(5,389)	(296,678)
Net expenses from reinsurance contracts held							
Re-insurance expenses incurred	(1,150)	(60,027)	(9,506)	(23,285)	(18,668)	-	(112,636)
Amortization of Minimum & Deposit premium	(3,000)	(1,030)	-	-	-	-	(4,030)
Insurance Claims Recovered from Reinsurers	(3,772)	(3,391)	(30,438)	93,628	-	-	56,027
Changes in Risk adjustment on reinsurance	(836)	-	(156)	26	-	-	(966)
Net expenses from reinsurance contracts held	(8,758)	(64,448)	(40,100)	70,369	(18,668)	-	(61,605)
Insurance service result	52,544	419,367	(124,487)	105,819	(47,231)	(5,389)	400,624

Notes to the Financial Statements - Continued

50 Asset and Liability Management

The Company is exposed to a range of financial risks through its financial assets, financial liabilities (Insurance contract liabilities and borrowings) and reinsurance assets.

Asset and Liability Management (ALM) attempts to address financial risks the Company is exposed to which includes interest rate risks, foreign currency risks, equity price risks and credit risks. The major financial risk is that in the long term its investment proceeds are not sufficient to fund the obligations arising from its insurance contract liabilities. ALM ensures that specific assets of the Group is allocated to cover insurance contract liabilities of the Company.

The Company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. The following tables reconciles the Company's non-life business within the Statement of Financial Position to the classes and portfolios used in the Company's ALM framework.

31 December 2023

In thousands of Naira

The Company	Insurance contract	Shareholders' funds	Total
<u>Assets</u>			
Cash and cash equivalents	4,401,203	-	4,401,203
Financial assets	2,238,806	2,000,000	4,238,806
Other receivables and prepayments	-	278,495	278,495
Insurance contract assets	8,640	-	8,640
Reinsurance assets	271,943	-	271,943
Investment properties	-	6,373,615	6,373,615
Intangible assets	-	37,554	37,554
Property, plant and equipment	-	780,525	780,525
Statutory deposit	-	322,500	322,500
Total assets	6,920,592	9,792,689	16,713,281
<u>Liabilities</u>			
Insurance contract liabilities	5,061,377	-	5,061,377
Trade payables	-	240,041	240,041
Provisions and other payables	-	1,572,210	1,572,210
Current income tax payable	-	398,445	398,445
Deferred tax liabilities	-	206,209	206,209
Lease obligations	-	43,389	43,389
Borrowings	-	9,826,152	9,826,152
Deposit for shares	-	5,066,039	5,066,039
Total liabilities	5,061,377	17,352,485	22,413,863
Gap	1,859,214	(7,559,796)	(5,700,582)

Notes to the Financial Statements - Continued

50 Asset and Liability Management - continued

31 December 2022

In thousands of Naira

The Company	Insurance Contract	Shareholders' Funds	Total
Assets			
Cash and cash equivalents	254,685	5,000,000	5,254,685
Financial assets			
- Fair value through POL	89,492	-	89,492
- Fair value through OCI	350,368	-	350,368
Other receivables and prepayments	-	996,257	996,257
Reinsurance assets	293,936	-	293,936
Investment in Associate Company	-	876,522	876,522
Investment properties	-	4,880,000	4,880,000
Intangible assets	-	2,346	2,346
Property, plant and equipment	-	1,673,724	1,673,724
Total assets	988,481	13,751,349	14,739,830
Liabilities			
Insurance contract liabilities	4,733,413	-	4,733,413
Trade payables	-	187,820	187,820
Provisions and other payables	-	2,034,979	2,034,979
Current income tax payable	-	307,161	307,161
Deferred tax liabilities	-	206,209	206,209
Borrowings	-	14,092,842	14,092,842
Deposit for shares	-	5,316,339	5,316,339
Total liabilities	4,733,413	22,145,350	26,878,763
Gap	(3,744,932)	(9,138,153)	(12,138,934)

51 Capital Management

The main objectives of the Company when managing capital are:

- To ensure that the Minimum Capital Requirement of ₦3 billion as required by the Insurance Act CAP I17, LFN 2004, is maintained at all times.
This is a risk based capital method of measuring the minimum amount appropriate for an insurance Company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, outstanding claims, unearned premium reserve and assets above a certain concentration limit.
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

Notes to the Financial Statements - Continued

51 Capital Management - continued

The Insurance Act CAP I17, LFN 2004 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e. in respect of liability for Incurred claims risk, liability for Remaining coverage risk, investment risk, catastrophe risk and reinsurance ceded.

As part of its plan to meet the required capital base set by NAICOM and to maintain the statutory asset cover based on its underwritten risks, the Company intends to do the following to strengthen its financial position:

- Dispose its investment properties.
- Recoveries from trade and other debtors: The Company has engaged the services of solicitors and recovery agents to help it make substantial recoveries from its debtors.
- The Company is still on its plan to bring in fresh capital into the Company through private placement.

The Company is also subject to a solvency requirement under the Insurance Act CAP I17, LFN 2004 and is required to maintain its solvency at the minimum capital required at all times. Solvency margin is the excess of admissible assets in Nigeria over admissible liabilities in Nigeria and shall not be less than the minimum paid-up capital or 15% of the gross premium income less reinsurance premiums paid out during the year, whichever is higher in accordance with section 24 of Insurance Act CAP I17 LFN, 2004.

(a) In the case of Existing Company:

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

Notes to the Financial Statements - Continued

For this purpose, Admissible Assets are defined as: Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission.

(b) In the case of a new Company:

- i) Government Bonds and Treasury Bills,
- ii) Cash and Bank Balances, and
- iii) Cash and cash equivalents

As an existing Company, our Capital Requirement is as shown below:

	2023 N'000	2022 N'000
Share Capital	642,043	642,043
Share Premium	963,097	963,097
Statutory Contingency Reserve	2,745,448	1,630,193
Accumulated losses	(19,952,681)	(24,750,041)
Excess of admissible assets over liabilities	(15,602,093)	(21,514,709)
Less Own Shares	-	-
	(15,602,093)	(21,514,709)
Subordinated liabilities approved by the Commission	-	-
Other instruments approved by the Commission	5,000,000	5,000,000
Capital Requirements	(10,602,093)	(16,514,709)

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Company's capital base is below the minimum capital requirement of ₦3 billion specified by NAICOM.

The Company's capital requirement of ₦3,000,000,000 was not maintained as at the end of the financial year, while the Solvency margin was also below the requirements of the Insurance Act CAP 17, LFN 2004 as a result of the restriction on the admissibility of certain assets.

Notes to the Financial Statements - Continued

51.1 Capital Management - Solvency Margin - continued

	2023	2023	2023	2022	2022	2022
	Admissible	Inadmissible	Total	Admissible	Inadmissible	Total
	N'ooo	N'ooo	N'ooo	N'ooo	N'ooo	N'ooo
Cash and cash equivalents	4,380,661	20,543	4,401,204	5,236,950	17,735	5,254,685
Financial assets						
- Fair value through OCI	110,415	-	110,415	89,492	-	89,492
- Fair value through PCL	513,687	-	513,687	350,368	-	350,368
- Debt instruments at amortised cost	3,614,705	-	3,614,705	-	-	-
Trade receivables	8,640	-	8,640	-	-	-
Other Receivables and Prepayments	-	278,495	278,495	-	996,256	996,256
Reinsurance assets	271,943	-	271,943	293,936	-	293,936
Deferred acquisition costs	-	-	-	12,422	-	12,422
Investment in associate	-	-	-	876,522	-	876,522
Investment in subsidiary	-	-	-	-	-	-
Investment properties	-	6,373,615	6,373,615	-	4,880,000	4,880,000
Intangible assets	37,554	-	37,554	2,346	-	2,346
Property, plant and equipment - Land & Building	-	-	-	1,000,000	491,245	1,491,245
Property, plant and equipment - Others	780,525	-	780,525	182,478	-	182,478
Statutory deposit	322,500	-	322,500	322,500	-	322,500
Admissible assets	10,040,630	6,672,653	16,713,283	8,367,014	6,385,236	14,752,250
Insurance contract liabilities	5,061,377	-	5,061,377	4,733,413	-	4,733,413
Trade payables	240,041	-	240,041	187,820	-	187,820
Provision and other payables	1,922,209	-	1,922,209	2,034,979	-	2,034,979
Current income tax payable	398,445	-	398,445	307,161	-	307,161
Deferred Tax liabilities	-	206,209	206,209	-	206,209	206,209
Lease obligations	43,389	-	43,389	-	-	-
Borrowings	9,826,151	-	9,826,151	14,092,842	-	14,092,842
Deposit for shares	-	5,066,039	5,066,039	5,316,339	-	5,316,339
Admissible liabilities	17,491,613	5,272,248	22,763,861	26,672,554	206,209	26,878,763
Solvency margin	(7,450,983)			(18,305,540)		
The higher of:						
15% of net premium income and Shareholders' funds	3,000,000			3,000,000		
Shortfall in solvency margin	<u>10,450,983</u>			<u>21,305,540</u>		

Deposit for shares was excluded from the computation of Solvency margin as it is capital injected by the core investors to cover the shortfall that is awaiting regulatory approval and allotment to the shareholders.

Notes to the Financial Statements - Continued

52 Valuation bases

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.

Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

The table below shows financial assets carried at fair value.

Company		Note	Fair value through OCI	Fair value through P & L
			₦'000	₦'000
31 December 2023				
Quoted equities at FVTPL	2		110,415	
Fair value through OCI - unquoted	2	2.1		513,686
			110,415	513,686
31 December 2022				
Quoted equities at FVTPL	2		89,492	
Fair value through OCI - unquoted		2.1		350,368
			89,492	350,368

The following methods and assumptions were used to estimate the fair value of unquoted equity measured at fair value and other debt securities whose fair values are disclosed.

I Unquoted equity

The fair values of the unquoted ordinary shares have been estimated using either of Income approach or Market approach.

Under the income approach, the valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted

Notes to the Financial Statements - Continued

I Unquoted equity - Continued

Under the market approach, the Company determines comparable public companies (Peers) based on industry, size, leverage and strategy and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value.

ii Listed debt securities - bonds

Fair values of publicly traded debt securities are based on quoted market prices in an active market for identical assets with adjustments for accrued interest on the instrument after the last interest/coupon payment date. The Company values these investments at closing bid price.

iii Money market funds and similar securities (treasury bills)

The estimated fair value of money market funds is based on discounted cash flows using prevailing quoted Money-market interest rates for debts with similar credit risk and maturity.

Company	2023	2022
Financial Assets measured at:	=N='000	=N='000
Quoted prices in active markets (level 1)	110,415	89,492
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	513,687	350,368
	<u>624,102</u>	<u>439,860</u>
Company		
Financial Assets measured at:		
Quoted prices in active markets (level 1)	110,415	89,492
Valuation technique:		
Market observable data (level 2)		
Other than observable market data (level 3)	513,687	350,368
	<u>624,102</u>	<u>439,860</u>

Notes to the Financial Statements - Continued

52.1 Fair value measurement

52.1.1 Fair value hierarchy

The Company categorises a financial asset or a financial liability measured at fair value at the same level of fair value hierarchy as the lowest-level input that is significant to the entire measurement.

The Company ranks fair value measurements based on the type of inputs, as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equities and bonds) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has no Level 3 investments during the two reporting periods presented.

There were no transfers between Levels 1 and 2 for recurring fair value measurements during both years.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;

All of the resulting fair value estimates are included in Level 2

52.1.2 Recognised fair value measurement

This note sets out the split of financial instruments by fair value hierarchy level:

<i>In thousands of naira</i>	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment assets at FVTPL								
Fair value through profit or loss	110,415	-	-	110,415	89,492	-	-	89,492
	110,415	-	-	110,415		-	-	89,492
Investment assets at FVOCI								
Fair value through OCI	-	-	513,686	513,686	-	-	350,368	350,368
Other debt securities	-	-	-	-	-	-	-	-
	-	-	513,686	513,686	-	-	350,368	350,368
Total investment assets at FV	110,415	-	513,686	624,101	-	-	350,368	439,860

52.1.3 Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, floating rate subordinated debt, other financial assets and other financial liabilities approximate their fair value.

Notes to the Financial Statements - Continued

52.2 Model for expected credit loss

IFRS 9 outlines a three-stage model for impairment, based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1, and it has its credit risk continuously
- If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2, but it is not yet deemed to be credit-
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that results from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on the ECL on a
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criterion

The borrower is more than 90 days past due on its contractual payments.

Qualitative criterion

instances where:

- the borrower is in long-term forbearance;
- the borrower is insolvent;
- the borrower is in breach of (a) financial covenant(s);
- an active market for that financial asset has disappeared because of financial difficulties;
- concessions have been made by the lender relating to the borrower's financial difficulties;
- it is becoming probable that the borrower will enter bankruptcy; or
- financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Company's expected loss calculations.

An instrument is considered to no longer be in default (that is, to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after cure, using different possible cure definitions.

Notes to the Financial Statements - Continued

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or lifetime basis, depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is the discounted product of the PD, EAD and LGD, defined as

- The PD represents the likelihood of a borrower defaulting on its financial obligation (according to the definition of default and credit-impaired assets above), either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The LGD represents the Company's expectation of the extent of loss on a defaulted exposure. The LGD varies by type of borrower, type and seniority of claim, and availability of collateral or other credit support. The LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). The LGD is calculated on a 12M or lifetime basis, where the 12M LGD is the percentage of loss expected to be made if the default occurs in the next 12 months, and the lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (that is, the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a financial instrument portfolio from the point of initial recognition throughout the lifetime of the financial instrument. The maturity profile is based on historical observed data, and it is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Forward-looking economic information is also included in determining the 12M and Lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Significant increase in credit risk

The Company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

Thresholds have been established to determine whether the remaining Lifetime PD at the reporting date has increased significantly compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

Qualitative criteria

For debt instruments securities, if the instrument meets one or more of the following criteria:

- significant increase in credit spread;
- significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- actual or expected forbearance or restructuring;
- actual or expected significant adverse change in operating results of the borrower; and
- significant change in collateral value (secured facilities only) that is expected to increase risk of default.

The assessment of a SICR incorporates forward-looking information and is performed at the borrower level and on a periodic basis. The criteria used to identify a SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team

Backstop criteria

A backstop is applied and the debt financial instrument considered to have experienced a SICR if the borrower is more than 30 days past due on its contractual payments.

Notes to the Financial Statements - Continued

Low credit risk debt instruments

The Company has used the low credit risk exemption for financial instruments when they meet the following conditions:

- the financial instrument has a low risk of default;
- the borrower is considered to have a strong capacity to meet its obligations in the near term; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

The Company defines low credit risk financial assets as financial assets that are 'investment grade' at the reporting date, based on the Company's credit grading policies. For such instruments, the SICR is not assessed, and the impairment allowance is calculated and the financial asset is measured using the 12M ECL, provided that the financial asset meets the criteria above.

Forward-looking information incorporated in the ECL models

The assessment of a SICR and the calculation of the ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and the ECL for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the base economic scenario) are provided by the Company's Economics team on a quarterly basis, and they provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to have either a long run average rate (such as unemployment) or a long run average growth rate (such as GDP) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing

statistical regression analysis to understand the impact that changes in these variables have had historically on default rates and on the components of the LGD and EAD.

In addition to the base economic scenario, the Company's Economics team also provides other possible scenarios, along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type, to ensure that non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The assessment of a SICR is performed using the Lifetime PD under each of the bases and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2 or Stage 3, and hence whether the 12M or lifetime ECL should be recorded. Following this assessment, the Company measures the ECL as either a probability weighted 12M ECL (Stage 1) or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes might be significantly different from those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes, and it has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Notes to the Financial Statements - Continued

52.3 Management of insurance and financial risk

The Company issues contracts that transfer insurance risk. This section summarises the main risks linked to short-term insurance business and the way they are managed.

Insurance risk

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and indemnity payments exceed the carrying amount of the insurance liabilities.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors the most significant resulting from events like fire and allied perils and their consequences and liability claims. Inflation is another factor that may affect claims payments.

Underwriting measures are in place to enforce appropriate risk selection criteria or not to renew an insurance contract.

The reinsurance arrangements for proportional and non-proportional treaties are such that the Company is adequately protected and would only suffer predetermined amounts.

Concentration of insurance risk

The following table discloses the concentration of claims by class of business and the gross future claims paid that are incurred by the Company:

Business Class	Gross outstanding claims balance 2021	Gross outstanding claims balance 2022	Gross outstanding claims balance 2023
	(N'000)	(N'000)	(N'000)
Accident	462,633	462,743	22,710
Bonds	256,582	256,582	91,246
Fire	162,343	121,679	35,232
Marine	97,918	77,918	52,677
Motor	224,095	260,557	40,615
Oil	2,547,945	2,547,945	1,758,951
Total	3,751,516	3,727,424	2,001,431

Notes to the Financial Statements - Continued

IBNR

The table below shows the best estimate IBNR calculated per segment of business of IEI as at 31 December 2021, 2022, and 2023, gross and net of reinsurance.

A summary by business class is given below:

Class of business	2021		2022		2023	
	Gross IBNR (N '000)	Net IBNR (N '000)	Gross IBNR (N '000)	Net IBNR (N '000)	Gross IBNR (N '000)	Net IBNR (N '000)
Accident	51,106	32,197	20,275	17,031	62,763	38,285
Bonds	38	34	28,646	28,646	21,492	14,185
Fire	33,850	3,385	5,320	1,330	18,019	13,515
Marine	8,159	6,119	8,101	3,402	17,325	17,325
Motor	29,393	29,393	33,504	33,504	29,662	16,610
Oil	20,603	20,603	25,939	25,939	34,341	34,342
Total	143,149	91,731	121,785	109,852	183,602	134,262

Risk Adjustment

Risk Adjustment is the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The Risk Adjustment for IEI was calculated using the Cost of Capital (CoC) approach calibrated using the Solvency II assumptions. The results of our findings are given below.

Class of business	2021		2022		2023	
	Gross Adjustment	Net Adjustment	Gross Adjustment	Net Adjustment	Gross Adjustment	Net Adjustment
Accident	5,137	4,209	4,830	4,058	1,709	766
Bonds	2,566	2,566	2,852	2,852	2,255	2,109
Fire	1,962	253	1,270	397	1,065	270
Marine	1,061	849	860	622	1,400	1,064
Motor	2,536	2,535	2,941	2,941	1,406	1,145
Oil	25,685	25,685	25,739	25,739	35,866	35,866
Total	38,947	36,097	38,492	36,609	43,701	41,220

Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards

The Company claims are short-term and are settled within a short time and the Company's estimation processes reflect with a higher degree of certainty all the factors that influence the amount and timing.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR and a provision for reported claims not yet paid at the end of the reporting date. The Company has ensured that liabilities on the statement of financial position at year end for existing claims whether reported or not, are adequate.

The Company has in place a series of quota-share and excess of loss covers in each of the last four years to cover for losses on these contracts.

Notes to the Financial Statements - Continued

53 Financial risk

The Company is exposed to financial risks through its financial assets, financial liabilities and insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund obligations arising from insurance contracts.

The most important components of this financial risk are:

Market risk (which includes currency risk, interest rate risk and equity price risk)

Credit risk;

Liquidity risk;

Capital management; and

Fair value estimation

These risks arise from open position in interest rate, currency and equity products, all of which are exposed to general and open market movements.

The Company risk management policies are designed to identify and analyse risks, to set appropriate risk limits and control, and monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management, individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

53.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair value of future cashflows of financial instruments from fluctuations in foreign currency exchange rates, interest rates and equity prices.

The Company has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Company monitors adherence to this market risk policy through its Investment Committee. The Company's Investment Committee is responsible for managing market risk.

The market risk is monitored at board level through investment reports which examine impact of changes in market risk in investment returns and asset values. The Company's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

Notes to the Financial Statements - Continued

53.1 Market risk - continued

Currency risk

The Company has a number of investments in foreign currencies which are exposed to this currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is

The Company's total assets and liabilities by currency is detailed below:

<i>At 31 December 2023</i>	¥'000	₩'000	£'000	\$'000	€'000	Total
Assets:						
Non-current assets	7,191,694	-	-	-	-	7,191,694
Current assets	1,515,594	-	-	-	-	1,515,594
Bank balances, deposits and cash	7,995,366	-	207	13,587	6,749	8,015,909
Unquoted stocks	69,480	-	-	444,206	-	513,686
Total assets	16,702,654	-	207	13,587	6,749	16,723,197
Liabilities:						
Current liabilities	7,530,726	-	-	9,826,152	-	17,356,879
Non-current liabilities	5,066,039	-	-	-	-	5,066,039
Total liabilities	12,596,765	-	-	9,826,152	-	22,422,917
<i>At 31 December 2022</i>						
Assets:						
Non-current assets	6,556,070	-	-	-	-	6,556,070
Current assets	2,500,105	-	-	-	-	2,500,105
Bank balances, deposits and cash	5,254,685	-	207	10,774	6,747	5,272,413
Unquoted stocks	101,261	-	-	249,107	-	350,368
Total assets	14,412,121	-	207	259,881	6,747	14,678,956
Liabilities:						
Current liabilities	7,646,993	-	-	14,092,842	-	21,739,835
Non-current liabilities	5,316,339	-	-	-	-	5,316,339
Total liabilities	12,963,332	-	-	14,092,842	-	27,056,174

Notes to the Financial Statements - Continued

53 Financial risk - continued

53.1 Market risk - continued

Sensitivity

If the Naira had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below mainly as a result of foreign exchange gains/losses:

<i>Impact on results</i>	NGN	Yen	GBP	USD	Euro	Carrying	+5%	-5%
						value	₦'000	₦'000
Company								
At 31 December 2023								
Bank balances and deposits	7,995,366	-	207	13,587	6,749	8,015,909	1,027	(1,027)
Borrowings	-	-	-	9,826,151	-	9,826,151	491,308	(491,308)
Unquoted Stocks	69,480			444,206		513,686	22,210	(22,210)
At 31 December 2022								
Bank balances and deposits	5,254,685	-	207	10,774	6,747	5,272,413	886	(886)
Unquoted Stocks	101,261			249,107		350,368	12,455	(12,455)
Borrowings	4,782,238	-	-	14,092,842	-	18,875,080	704,642	(704,642)

Limitations of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

Notes to the Financial Statements - Continued

54 Explanation of transition to IFRS 17

The changes in accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 Dec 2023, the comparative information presented in these financial statements for the year ended 31 December 2022 and in the preparation of an opening IFRS 17 statement of financial position at 1 January 2022 (the Company's date of transition).

In preparing its opening IFRS 17 statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with IFRS 4. An explanation of how the transition from IFRS 4 to IFRS 17 has affected the Company's financial position is set out in the table below.

<i>In thousands of naira</i>	Note	1 January 2022			
		IFRS 4	Effect of transition to IFRS 17		IFRS 17
			Remeasurement	Reclassification	
Assets					
Cash and cash equivalents		121,225	-	-	121,225
Financial assets					
<i>Fair value through profit or loss</i>	a	92,255	-	(92,255)	-
<i>Fair value through other comprehensive income</i>	a	240,586	-	(240,586)	-
<i>Debt instruments at amortised cost</i>		-	-	-	-
Investment assets	a	-	-	332,841	332,841
Trade receivables		-	-	-	-
Other receivables and prepayment		1,932	-	-	1,932
Insurance contract assets		-	-	-	-
Reinsurance assets	b	262,377	(53,620)	-	208,757
Deferred acquisition costs	c	9,148	-	(9,148)	-
Investment in subsidiaries		1,000,000	-	-	1,000,000
Investments in associates and joint ventures accounted for using the		-	-	-	-
Investment properties		3,822,250	-	-	3,822,250
Intangible assets		-	-	-	-
Property and equipment		3,047,490	-	-	3,047,490
Statutory deposit		322,500	-	-	322,500
Total assets		8,919,763	(53,620)	(9,148)	8,856,995
Liabilities					
Current income tax liabilities		511,081	-	-	511,081
Other current liabilities		1,159,846	-	-	1,159,846
Insurance contract liabilities	b, d	4,248,187	2,311	(9,148)	4,236,728
Trade payable		189,424	-	-	189,424
Deferred tax liabilities		206,209	-	-	206,209
Borrowings		14,092,842	-	-	14,092,842
Deposit for shares		317,233	-	-	317,233
Total liabilities		20,724,822	2,311	(9,148)	20,713,363
Equity					
Share capital		642,043	-	-	642,043
Share premium		963,097	-	-	963,097
Statutory contingency reserve		1,603,755	-	-	1,603,755
Capital reserve		7,926,399	-	-	7,926,399
Accumulated losses	b	(24,568,858)	(51,309)	-	(24,620,167)
Property revaluation reserve		1,482,917	-	-	1,482,917
Fair value reserve		145,588	-	-	145,588
Total equity		(11,805,059)	(51,309)	-	(11,856,368)
Total liabilities and equity		8,919,763	(53,620)	(9,148)	8,856,995

Notes to the Financial Statements - Continued

Notes to the reconciliations

- a On transition to IFRS 17, all financial assets were categorised together as investment assets on the statement of financial position. The impact of the above is summarised below;

	01-Jan-22
	N'ooo
Investment assets	332,841
Fair value through profit or loss	(92,255)
Fair value through other comprehensive income	(240,586)

- b Amounts of ₦9,148,000 was reclassified to insurance contract liabilities from deferred acquisition cost.

	01-Jan-22
	N'ooo
Statement of financial position	
Deferred acquisition costs	(9,148)
Insurance contract liabilities	9,148

- c The following table summarises the impact of the transition to IFRS 17 on retained earnings at 1 January 2022.

	01-Jan-22		N'ooo
Closing balance under IFRS 4 (31 December 2021)	a		24,568,858

Amount relating to changes in the liability for Incurred claims per actuary report:

Liability for Remaining Coverage	(3,595)	
Outstanding Claims Reserve (OCR)	(163,352)	
Incurred But Not Reported (IBNR)	123,673	
Loss Component	2,014	
DAC	2	
Risk Adjustment	<u>38,947</u>	(2,311)

Reinsurance

Outstanding Claims Reserve (OCR)	94,951	
Incurred But Not Reported (IBNR)	(42,195)	
Prepaid Reinsurance	3,713	
Risk Adjustment	<u>(2,849)</u>	53,620

Net movement in retained earnings b 51,309

Opening balance under IFRS 17 (1 January 2022) a+b 24,620,167

Notes to the Financial Statements - Continued

55 Reconciliation of profit/(loss) before income taxation expense to cash provided by operating activities

<i>In thousands of naira</i>	Group			Company		
	31-Dec-23	31-Dec-22	01-Jan-22	31-Dec-23	31-Dec-22	01-Jan-22
Profit/(Loss) before income tax expense	-	-	(688,968)	5,773,378	241,572	(720,958)
Adjustments for items not involving movement of cash:						
Depreciation	-	-	82,149	77,008	26,915	24,871
Profit on disposal of associate company	-	-	-	(523,478)	-	-
Amortisation of intangible assets	-	-	3,805	1,507	20	-
Profit on disposal of PPE	-	-	-	1,177	-	-
(Gain)/Loss on revaluation of investment properties	-	-	-	-	276,489	-
Interest income	-	-	(43,954)	(169,943)	(44,529)	(40,937)
Dividend income	-	-	(9,890)	(3,388)	(1,807)	(9,890)
Fair value loss/(gain) on held-for-trading assets	-	-	1,354	(12,187)	2,763	1,354
Recycled to profit or loss (financial asset)	-	-	6,695	(23,282)	109,781	6,695
Fair value loss / (gains) on investment properties	-	-	(204,750)	9,931	(1,966,320)	(204,750)
Profit or loss on disposal of investment property	-	-	-	-	1,269,000	-
Charge on impairment of assets	-	-	(3,583)	5,223	(3,443)	(4,603)
Interest expense	-	-	-	8,677	-	-
Finance costs	-	-	563,896	(3,496,037)	-	555,183
Exchange gains	-	-	(3,545)	(770,653)	(2,307)	(3,545)
			392,177	(4,895,444)	(333,437)	324,379
Changes in working capital:						
Loans and receivables			759	-	-	759
Trade receivables	-	-	(23,778)	(8,640)	-	-
Other receivables and prepayments	-	-	(74,680)	717,762	(994,324)	363
Lease liabilities	-	-	-	89,603	-	-
Reinsurance assets	-	-	31,628	(44,615)	(18,571)	31,628
Deferred acquisition costs	-	-	(1,317)	-	-	(1,317)
Insurance contract liabilities	-	-	137,512	743,329	81,320	137,512
Trade payables	-	-	31,546	52,221	(1,607)	4,008
Provisions and other payables	-	-	179,936	1,261,263	636,441	176,762
			281,606	2,810,923	(296,740)	349,715
Cash used in operating activities			(15,185)	3,688,857	(388,606)	(46,864)

56 Reconciliation of other operating cash payments

Auditors' remuneration	-	-	(8,450)	(13,500)	(16,000)	(6,450)
Other expenses	-	-	(1,611,003)	(2,144,237)	(467,222)	(730,056)
Change in other assets and receivables	-	-	(73,921)	717,762	(994,324)	1,122
Change in trade payables and other liabilities	-	-	180,993	1,313,484	634,838	150,278
	-	-	(1,512,381)	(126,491)	(842,708)	(585,106)

Other National Disclosures

OTHER NATIONAL DISCLOSURE

Value Added Statement

For the year ended 31 December 2023

	2023		Restated	
	N'000	%	2022	%
	<u>N'000</u>		<u>N'000</u>	
Insurance revenue	2,718,177		758,907	
Net investment income	198,869		718,852	
Credit loss reversal/(expense)	5,223		(3,443)	
Profit on disposal of associate company	523,478		-	
Share of loss of equity-accounted investees, net of tax	-		(123,478)	
Other income	886,800		28,416	
	<u>4,332,547</u>		<u>1,379,254</u>	
Net expenses from reinsurance contracts held	(78,314)		(70,478)	
Insurance service expense	1,391,567		(750,152)	
Other business costs	(1,733,530)		(555,736)	
Value added	<u>3,912,270</u>		<u>2,888</u>	
Applied as follows:				
To pay employees:				
Salaries, wages and benefits	609,831	0.21	316,869	0.54
To pay Government:				
Taxes	197,100	0.07	8,671	0.01
To pay providers of capital:				
Finance costs	(3,487,360)	(1.17)	-	-
Retained for asset replacement and future expansion of business:				
-Depreciation and amortisation	78,515	0.03	26,934	0.05
-Profit / loss for the year	5,576,278	1.87	232,901	0.40
Value added	<u>2,974,364</u>	1.00	<u>585,375</u>	1.00

Value added is the wealth created by the efforts of the Company and its employees and the allocation between employees, shareholders, government and that retained in the future for the creation of more wealth.

FIVE-YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION AS AT

In thousands of naira

	31 DECEMBER				
	2023	Restated 2022	Restated 2021	2020	2019
Assets					
Cash and cash equivalents	4,401,204	5,254,685	121,225	147,204	136,093
Financial assets	4,238,807	439,860	332,841	341,409	302,726
Trade receivables	8,640	-	-	-	79
Other receivables and prepayments	278,495	996,257	1,932	1,997	13,910
Reinsurance contract assets	271,943	227,328	208,757	294,005	268,466
Deferred acquisition costs	-	-	-	10,465	4,384
Investment in Associate Company	-	876,522	-	-	-
Investment in subsidiary	-	-	1,000,000	1,000,000	1,000,000
Investment properties	6,373,615	4,880,000	3,822,250	3,617,500	3,315,000
Intangible assets	37,554	2,346	-	-	-
Property, plant and equipment	780,525	1,673,724	3,047,490	3,072,362	3,273,065
Statutory deposit	322,500	322,500	322,500	322,500	322,500
Total assets	16,713,283	14,673,222	8,856,995	8,807,441	8,636,224
Liabilities					
Insurance contract liabilities	5,061,377	4,318,048	4,236,728	4,110,675	4,053,715
Trade payable	240,041	187,820	189,424	23,905	16,053
Provisions and other payables	1,922,209	2,034,977	1,159,846	1,175,086	1,077,843
Current income tax payable	398,445	307,162	511,081	512,464	497,936
Deferred tax liabilities	206,209	206,209	206,209	206,209	792,724
Lease obligations	43,389	-	-	-	-
Borrowings	9,826,151	14,092,842	14,092,842	13,537,660	12,454,934
Deposit for shares	5,066,039	5,316,339	317,233	317,233	318,127
Total liabilities	22,763,861	26,463,397	20,713,363	19,883,232	19,211,332
Equity					
Share capital	642,043	642,043	642,043	642,043	642,043
Share premium	963,097	963,097	963,097	963,097	963,097
Other reserves	(7,655,718)	(13,395,315)	(13,461,508)	(12,680,931)	(12,180,248)
Total equity	(6,050,578)	(11,790,175)	(11,856,368)	(11,075,791)	(10,575,108)
Total liabilities and equity	16,713,283	14,673,222	8,856,995	8,807,441	8,636,224

STATEMENT OF PROFIT OR LOSS

Profit/(loss) before income tax	5,773,378	241,572	(720,958)	(1,207,080)	276,230
Income tax expense	(197,100)	(8,671)	(1,617)	571,989	(8,816)
Profit/(loss) after income tax	5,576,278	232,901	(722,575)	(635,091)	267,414
Other comprehensive income/(loss)	163,319	(166,708)	(6,695)	109,382	469,804
Total comprehensive loss	5,739,596	66,193	(729,271)	(525,709)	737,218
Basic and diluted (loss)/income per share (kobo)	434	18	(56)	(49)	21
Net Assets/(liabilities) per share (kobo)	(471)	(918)	(923)	(863)	(824)

Note: The (losses)/income per share have been computed respectively for each year on the (loss)/profit after income tax expense and the number of ordinary shares in issue at the end of each year. The net (liabilities)/assets per share are based on the number of issued 50 kobo ordinary shares at the end of the year.