Great Nigeria Insurance Plc

Consolidated and Separate Annual Report
31 December 2021

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Corporation Information

Certificate of incorporation number:	RC 2107
NAICOM license number:	RIC 014
FRC Reg. no.	FRC/2012/0000000000515
Tax Identification Number:	01738239-0001

Directors

Mr. Bade Aluko	Chairman
Mrs. Cecilia O. Osipitan	Managing Director/CEO
Mrs. Roselyn Ulaeto	Executive Director
Archbishop Felix Alaba Job	Non-Executive Director
Mr. Akintola O. Ajayi	Non-Executive Director
Mr. Shamusideen Kareem	Non-Executive Director

Company secretary:	First Almond Attorneys Marina View Plaza 4th Floor, 60 Marina Lagos
Corporate head office :	Great Nigeria Insurance PLC GNI Complex 8, Omo-Osagie Street Off Awolowo Road Ikoyi, Lagos Telephone: +234 01 342-9161, 081- 424-78829 Email: info@greatnigeriaplc.com Website: www.greatnigeriaplc.com
Independent Auditors:	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Str. Victoria Island Telephone: +234 1 2718955 Website: www.kpmg.com/ng
Registrars:	Greenwich Registrars & Data Solutions 274, Murtala Muhammed Way Yaba PMB 12717, Lagos Telephone: +234 01 2917747 Website: www.gtlregistrars.com

Bankers	Wema Bank Plc First Bank Nigeria Limited Polaris Bank Plc Sterling Bank Plc Ecobank Limited Zenith Bank Plc United Bank for Africa Plc First City Monument Bank Limited Access Bank Plc Union Bank Plc Unity Bank Plc Heritage Bank Limited Barclays Bank Group, London Keystone Bank Limited Parallex Bank Limited
Re-insurers	Africa Reinsurance Corporation Continental Reinsurance Plc Munich Reinsurance Company of Africa Limited Nigeria Reinsurance Company WAICA Reinsurance Plc
Consulting Actuaries	EY Nigeria UBA House, 10th floor, 57 Marina, Lagos Nigeria Telephone: +234 1 6314 543, Fax: +234 1 4630 481 FRC/2012/00000000339
Estate surveyor and valuer:	Ubosi Eleh & Co. FRC/2014/NIESV/0000000/3997

Directors' Report
For the year ended 31 December 2021

The Directors have pleasure in presenting their Annual Report on the affairs of Great Nigeria Insurance Plc ("the Company" or "GNI Plc") and together with the subsidiaries (the Group) together with the audited consolidated and separate financial statements and the auditor's report for the year ended 31 December 2021.

Legal form and principal activity

The Company was incorporated in Nigeria as a Private limited Liability Company on 28th February 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, to transact insurance business as a composite insurer, until September 2005 when the Global Fleet Group bought the majority shares. With the divestment of the shares held by the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Assets Management Limited in September 2006, it became a member of the Wema Bank Plc Group. In line with the Central Bank of Nigeria (CBN) guidelines to banks in Nigeria, Wema Bank Plc divested from the Company effective November 2013 and sold its controlling shares to a consortium of investors.

On 4 July 2013, the Company acquired 97.5% ordinary shares of GNI Healthcare Limited formally known as GAMMA Health Limited. GNI Healthcare Limited was incorporated as a Private Limited Liability Company on 24 July, 2012, and its principal activity involves the provision of basic and supplemental health maintenance and treatment services. In 2017 GNI Healthcare Limited raised additional capital through private placement, the outcome of which reduced the shareholding proportion of GNI Plc to 79.43%. In 2020, there was an additional investment through purchase of unalloted shares in GNI Healthcare bringing GNI Plc share of investment to 82.91%.

A Subsidiary of GNI Plc was also Licensed in 2018 known as GNI Capital Management Limited and started pre-incorporational activities in 2020. The pre incorporation activities includes management of all Groups Investment properties. GNI Plc's investment in GNI Capital Management Limited is recognised as a liability in deposit for shares of the subsidiary.

The financial results of the subsidiaries have been consolidated in these financial statements from the date that the Company started exercising control over the subsidiary.

Operating results:

The highlights of the Group's and Company operating results for the year ended 31 December 2021 were as follows:

	Group 2021 N' 000	Group 2020 N' 000	Company 2021 N' 000	Company 2020 N' 000
Gross premium written	8,605,957	7,379,932	8,368,607	7,164,075
Profit/ (loss) before minimium taxation	1,279,814	(728,889)	1,278,136	(674,717)
Minimium tax expense	(5,399)	(4,042)	(4,719)	(3,551)
Profit/ (loss) before taxation	1,274,415	(732,931)	1,273,418	(678,268)
Income tax expense	(205,102)	(40,510)	(204,250)	(40,019)
Profit/ (loss) after taxation	1,069,313	(773,441)	1,069,168	(718,287)
Transfer to statutory contingency reserve	(170,290)	(199,560)	(170,290)	(199,560)
Transfer to/ (from) retained losses	899,023	(973,001)	898,878	(917,847)
Shareholders' funds	6,412,087	5,024,024	6,388,338	5,013,686
Basic Profit/ (loss) per share (kobo)	28	(20)	28	(19)

Directors' Report
For the year ended 31 December 2021

Directors and their interests:
The directors who served during the year were as follows:

Name	Designation
Mr. Bade Aluko	Chairman
Mrs. Cecilia O. Osipitan	Managing Director/CEO
Mrs. Roselyn Ulaeto	Executive Director
Arch Bishop Felix Alaba Job	Non-Executive Director
Mr. Akin Ajayi	Non-Executive Director
Mr. Shamusideen Kareem	Non-Executive Director

According to the register of members as at 31 December 2021, the following shareholders held 5% or more of the issued share capital of the Company during the year:

	31 December 2021		31 December 2020	
Shareholders	**No of shares**	**% shareholding**	**No of shares**	**% shareholding**
Insurance Resourcery and Consultancy Limited	2,870,614,035	75	2,870,614,035	75
Odu'a Investment Company Limited	348,138,124	9	348,138,124	9
Others	608,733,221	16	608,733,221	16
Total	**3,827,485,380**	**100**	**3,827,485,380**	**100**

2021

Share range	**No of shareholders**	**Percentage of shareholders**	**No of holdings**	**Percentage of holdings**
1-1,000	1,886	33.45%	1,562,078	0.04%
1,001-5,000	2,130	37.77%	6,449,415	0.17%
5,001-10,000	640	11.35%	5,954,636	0.16%
10,001-50,000	534	9.47%	15,242,158	0.40%
50,001-100,000	143	2.54%	12,815,538	0.33%
100,001-500,000	195	3.46%	53,270,393	1.39%
500,001-1,000,000	48	0.85%	43,422,856	1.13%
1,000,001-5,000,000	40	0.71%	104,677,430	2.73%
5,000,001-10,000,000	10	0.18%	78,263,102	2.04%
10,000,001-50,000,000	9	0.16%	221,265,680	5.78%
50,000,001-100,000,000	2	0.04%	165,809,935	4.33%
100,000,001-and above	2	0.04%	3,118,752,159	81.48%
Total	5,639	100%	3,827,485,380	100%

Directors' Report
For the year ended 31 December 2021

2020

Share range	**No of shareholders**	**Percentage of shareholders**	**No of holdings**	**Percentage of holdings**
1-1,000	1,886	33.45%	1,562,078	0.04%
1,001-5,000	2,130	37.77%	6,449,415	0.17%
5,001-10,000	640	11.35%	5,954,636	0.16%
10,001-50,000	534	9.47%	15,242,158	0.40%
50,001-100,000	143	2.54%	12,815,538	0.33%
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500,001-1,000,000	48	0.85%	43,422,856	1.13%
1,000,001-5,000,000	40	0.71%	104,677,430	2.73%
5,000,001-10,000,000	10	0.18%	78,263,102	2.04%
10,000,001-50,000,000	9	0.16%	221,265,680	5.78%
50,000,001-100,000,000	2	0.04%	165,809,935	4.33%
100,000,001-and above	2	0.04%	3,118,752,159	81.48%
Total	5,639	100%	3,827,485,380	100%

Acquisition of own shares:
The Company did not acquire any of its own shares during the year ended 31 December 2021 (2020: Nil).

Directors' interests in contracts:
In accordance with section 303 (4) of the Companies and Allied Matters Act of Nigeria 2020, none of the Directors have notified the Company of any declarable interest in contracts deliberated by the Company during the year.

Property, plant and equipment:
Information relating to changes in property, plant and equipment is given in Note 15 to the financial statements.

Donations and charitable gifts:
The Group made donations of N300,000 (2020: N23m donation) to non-political and charitable organisations as donations during the year.

	N
Investiture of 21st Present of NCRIB	250,000
Donation for support of PLA 2021	50,000
	300,000

Employment of disabled persons:
The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.
In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Group has no persons on its staff list with physical disability.

Health, safety and welfare of employees:
The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike.
Employees are adequately insured against occupational and other hazards.

Directors' Report
For the year ended 31 December 2021

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

Securities Trading Policy :
The Company has a Securities Trading Policy applicable to all employees and Directors in line with Rule 17.15 of the Disclosure of Dealings in Issuers' Shares Rulebook of the Exchange. Within this reporting period, no violation of the Policy occurred.

Complaints Management Policy :
The Company has a Complaint Management Policy Framework in compliance with Securities and Exchange Commission rule and same is available on the Company's website.

Events after year end:
The Finance Act was signed into Law on 31 December, 2021 with effective date of 1 January, 2022. The signing into law of Finance bill on 31 December 2021 qualifies as an adjusting event as the bill has been in existence at the end of the finnancial year. In view of this development, the company has eviewed the provisions of the Act and have made appropriate adjustments to the financial statements.
Financial Reporting Council (FRC) of Nigeria has provided guidance to preparers of financial statements on specific issues such as events after the reporting period, going concern, effects on interim financial reporting, changes in expected credit losses for financial assets amongst others.
Even though the effects of COVID-19 are gradually phasing out and the country is on the pathway to recovery, it has become imperative for organisations to pay attention to the key financial reporting implications of COVID-19 as they remain considerations in the light of any future disruptions to business resulting in a similar economic impact.
However, path to recovery from the COVID-19 pandemic has a positive impact on the financial statements of Great Nigeria Insurance Plc as at 31 December 2021.

Auditors:
In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria (CAMA), 2020 and having satisfied the relevant corporate governance requirements on their tenure in office, Messrs KPMG Professional Services have been appointed and have shown willingness to continue in office as auditors, the auditor would be re-appointed at the next annual general meeting of the company.

BY ORDER OF THE BOARD

OBakare

Mrs Olajumoke Bakare
First Almond Attorneys
FRC/2013/NBA/00000001439
Company Secretary
Marina View Plaza
4th Floor, 60 Marina
Lagos

28 April 2022

Corporate Governance Report

The Company

The company was incorporated in Nigeria as a Private Limited Liability Company on February 28, 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, until September, 2005 when the Global Fleet Group bought the majority shares. With the divestment of the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Asset Management Limited in September, 2006 it became a member of Wema Bank Plc Group. Wema Asset Management Limited divested from the company in 2013 through a Management Buy Out.

The principal business activities of the company include the provision of risk underwriting and related financial services in life and non-life insurance services to both corporate and individual customers, and also to Government and its Ministries, Departments and Agencies (MDAs).

Vision

"To be the insurance company of choice, for keeping promises to stakeholders"

Mission

"Giving you peace of mind by keeping our promises"

Business Philosophy

The company's business philosophy includes:

- Professionalism
- Passion for Customers
- Team Spirit
- Precision
- Empathy
- Innovation

Background of the assignment

In February 2009, the National Insurance Commission (NAICOM) and the Securities & Exchange Commission in January 2011 respectively issued a code of Good Corporate Governance for the Insurance Industry in Nigeria ("the NAICOM Code") and all public companies in Nigeria ("the SEC Code"), mandating them to perform an annual review/appraisal of their Boards of Directors by an external consultants to ensure excellent performance. In its commitment to good corporate governance best practices and the NAICOM and SEC Codes, the Board of Directors of GNI ('the Board') commissioned **First Almond Attoneys** to carry out Board Appraisal for the financial year ended December 31, 2021.

Our assignment of evaluating the performance of the Board of Directors of the Company was based on Global Best Practices and in accordance with the provisions of the Codes of Corporate Governance. The assignment also involves evaluation of the structure and composition, responsibilities, processes and relationships of the Board of Directors for the financial year ended December 31, 2021 as well as compliance with regulatory requirements. Our report on the assignment is based on the spot assessment, examination, analysis and review of relevant documents. The report is also based on the quantitative analysis of self assessment questionnaires and interviews with the Directors and key management staff.

The Board of Directors

The Board of Directors is responsible to the shareholders for creating and delivering sustainable shareholders' value through its oversight functions. The Board has a formal charter as required, which covers policies regarding Board memberships and composition, Board procedures, conduct of directors, risk management, remuneration, Board evaluation and induction. The Board of Directors at the time of this report is made up of six (6) members comprising five (4) Non-Executive and two (2) Executive Directors, including the Managing Director/CEO. This is in line with international best practice, which stipulates the number of non-executive directors should be more than that of executive directors. The Chairman of the Board who is a non executive Director and Managing Director/CEO are separate individuals and the Chairman has no executive responsibilities in the Company in compliance with the Codes of Corporate Governance.

The Chairman leads the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Non-Executive Directors have been operating in such a way that their executive independence has not been impaired. Non-executive Directors based on their breadth and depth of knowledge and experience are able to challenge, monitor and approve the strategic policies recommended by management.

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer (CEO).

The Chairman acts as the communicator for Board decisions, where appropriate. The concept of separation of the role of the Chairman from that of the CEO implies that the Chairman should be independent from management and free from any interest and any business or other relationship that could interfere with the Chairman's independent judgement other than interests resulting from Company shareholdings and remuneration.

The Managing Director/CEO, ably assisted by the Executive Directors and other top management constitute the Executive Management Committee. The Committee is saddled with the responsibilities of the day to day management of the affairs of the Company in accordance with agreed laid down guidelines. The Executive Management Committee is responsible and accountable to the Board of Directors for the implementation of the resolutions of the Board including but not limited to the approved strategies and policies.

The Managing Director/CEO is responsible for leading the development and execution of the Company's long-term strategy with a view to creating sustainable shareholder value. The mandate of the CEO is to manage the day-to-day operations of the company and ensure that operations are consistent with the policies developed by the Board of Directors and are carried out effectively. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of the management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

The current composition of the Board of Directors is as follows:

Directors	**Designation**
Bade Aluko	Chairman
Felix Alaba Job	Non-Executive Director
Akintola O. Ajayi	Non-Executive Director
Shamusideen Kareem	Non-Executive Director
Cecilia Osipitan	Managing Director/CEO
Roselyn Ulaeto	Executive Director

Corporate Governance Report

The Board committees were reconstituted during the year and the names of the Directors and their committee membership are presented below:

Name of Director	Role	Committees			
		ERM & Governance	Finance, Investment & General Purpose	Board Audit & Compliance	Statutory Audit
Bade Aluko	Chairman				
Felix Alaba Job	Non-Executive Director				
Shamusideen Kareem	Non-Executive Director				
Akintola O. Ajayi	Non-Executive Director				
Cecilia Osipitan	Managing Director				
Roselyn Ulaeto	Executive Director				

Key

	Members
	Chairman
	Not a Member

Board of Directors Meetings' Attendance

Meetings held	1	2	3	4	5
Names	**26-Feb-21**	**20-May-21**	**19-Aug-21**	**05-Nov-21**	**17-Dec-21**
Bade Aluko	Y	Y	Y	Y	Y
Felix Alaba Job	Y	Y	Y	Y	Y
Cecilia Osipitan	Y	Y	X	X	Y
Roselyn Ulaeto	Y	Y	Y	Y	Y
Akintola Olusola Ajay	Y	Y	Y	Y	Y
Shamsideen Kareem	Y	Y	Y	Y	Y

Key:	Y-Present	X - Absent	N/A-Not a Director

BOARD COMMITTEES

FINANCE, INVESTMENT & GENERAL PURPOSE COMMITTEE

This Committee formerly Finance & Investment Committee was re-named in the later part of the year following NAICOM's amendment of its Code of Governance wherein General Purpose was merged with the Committee.

The committee's responsibilities as stated in the Charter amongst others are:

- Review policies and strategies for financing of the Company's capital, including issuance and management of debt, common and preferred stock, and such other capital instruments as the Company shall consider or utilize
- Develop and recommend to the Board, polices and plans for employees' selection, recruitment, evaluation and succession.
- Develop and oversee policies and program for talent acquisition, deployment and development.
- Develop an investment strategy for the Company and each subsidiary.
- Recommend to the Board salary and compensation levels including fringe benefits for all levels of staff, review the company's operating performance relative to the bonus and incentive programmes and assess the effectiveness of the Company's Remuneration Policy, including remuneration structure, retention and termination policies for staff.
- Provide oversight of the Company's financial condition, including their assets, capital, surplus and liabilities, to ensure that the Company's assets, capital, surplus and liabilities are within the limits prescribed by the Board and the applicable law.
- Review policies and strategies for investing the Company's assets for investment return, including the purchase, sale and management of Bonds, Mortgages, investments in real estate, and such other investment instruments as the Company shall consider or utilize.
- Review and make recommendations to the Board on the structure of remuneration paid by the Company to third parties.

- Review and analyse possible investments opportunities for the Company and periodically to recommend potentially advantageous investments to the Board for approval in accordance with applicable law
- Maintain a full record of each investment recommended to the Board and the rationale behind such recommendation, and to provide such record to the Board as applicable, for inclusion in the minutes and proceedings of the Board and also act and advise the Board on all matters of estate acquisition, development or disposal and the efficient utilisation of estate and
- Have oversight of the Company's major external operations including the administration of the Company's wholly-owned companies and the governance oversight of the Company's participation in associated major ventures.
- Consult with and support the Audit Committee with respect to the establishment of (a) procedures for receipt , retention and treatment of complaints regarding the Company's accounting , internal controls and auditing matters; and (b) procedures for the confidential , anonymous submission by employees of concerns regarding questionable accounting or

Committee Meetings' attendance

Meetings held					
	24-Feb-2021	**18-May-21**	**17-Aug-21**	**03-Nov-21**	**14-Dec-21**
Akintola O. Ajayi	Y	Y	Y	Y	Y
Arch. Felix Alaba Job	Y	Y	Y	Y	Y
Shamusideen Kareem	Y	Y	Y	Y	Y
Cecilia O. Osipitan	Y	Y	X	X	Y
Roselyn Ulaeto	Y	Y	Y	Y	Y

Key:	**Y-Present**	**X - Absent**	**N/A: Not Applicable**

ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE

This Committee formerly Risk Management & Compliance was re-named in the later part of the year following NAICOM's amendment of its Code of Governance wherein the Board Governance Committee was merged with the Committee.
The Committee met four (4) times during the year. The responsibilities of the Committee as provided in the committee charter are as follows:

- Review the adequacy and effectiveness of the Company's risk management and controls.
- Oversight of Management's process for the identification of significant risks across the company and adequacy of prevention, detection and reporting mechanisms
- Review of the company's risk management system and internal control environment including the performance of the internal audit function.
- Oversee the company's risk policy, appetite and risk limits as approved by the Board.
- Undertake at least annually a thorough risk assessment covering all aspects of the Company's businesses.
- Review the adequacy of the size and composition of the Board to ensure the on-going effectiveness of the company's risks management framework.
- Evaluate and make recommendation to the Board concerning the nature and composition of the Board Committees, including designation of Committee chairs, Board Committees structure and operations.
- Identify individuals qualified to become directors consistent with membership criteria, shall coordinate and assist the Board in the recruitment of new directors and shall select or recommend to the Board candidates for election as directors,
- Recommend to the Board the allocation of Directors to each of the Board committees the committee shall recommend a particular director to the Board to fill such vacancy
- Review any proposed changes to the company's Memorandum and Articles of Association and other documents affecting the Company's corporate governance and shall make recommendation to the Board with respect to any such changes.
- Periodically assess the Company's governance
- Develop, review and recommend to the Board, as appropriate, other principles and policies relating to corporate governance; and monitor compliance with and the effectiveness of such principles and policies, as appropriate.
- Evaluate and make recommendation to the Board concerning the process for distribution of information to the Board and its committees including the content and timing of delivery of materials relating to meeting of the Board and Board

Committee Meetings' attendance

Meetings held		1	2	3	4
Names		**25-Feb-21**	**19-May-21**	**18-Aug-21**	**4 Nov 2021**
Felix Alaba Job		Y	Y	Y	Y
Akintola O. Ajayi		Y	Y	Y	Y

Key:	Y-Present	X - Absent	N/A: Not Applicable

BOARD AUDIT & COMPLIANCE COMMITTEE

Following NAICOM's amendment of its Corporate Governance Code, this Committee was established.
The Committee met four (4) times during the year. The committee is vested with the following duties amongst others:

- Assist in the oversight of the integrity of the Company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditors and performance of the company's internal audit functions as well as that of external auditors
- Review and pre-approve both audit and non-audit services (if any) to be provided by the external auditors
- The Committee shall keep under review the effectiveness of the Company's financial reporting and the statements to be made in the annual report concerning internal control policies and procedures for the identification, assessment and
- Review with Management any significant changes to the audit plan, if any, and any serious disputes or difficulties with Management encountered during the audit, including Management's response.
- Ensure the development of comprehensive internal control framework for the Company, obtain assurance and report annually in the financial statements on the operating effectiveness of the Company's internal control framework.
- Discuss the internal auditor's review of quarterly financial statements.
- Discuss the annual audited financial statements and half yearly unaudited financial statements
- Review and discuss with Management and external auditor the Company's annual audited financial statements, forecast and financial information, and the external auditors' report thereon including disclosure made in Management 's discussion
- Review and discuss with Management and the internal auditors the Company's quarterly unaudited financial statements, related notes and financial information, including disclosures made in the Management's discussion and analysis
- Provide guidelines and standards for administering the acceptance of key operational, reputational, financial, market, technology and compliance risks.
- Review the Company's compliance with legal and regulatory requirements that may impact the company's risk profile.

Committee Meetings' attendance

Meetings held					
	24-Feb-2021	**18/05/2021**	**17/08/2021**	**11/03/2021**	
Shamsideen Kareem	Y	Y	Y	Y	
Felix Alaba Job	Y	Y	Y	Y	
Akin Ajayi	Y	Y	Y	Y	

Key:	Y-Present	X - Absent

STATUTORY AUDIT COMMITTEE

The Companies and Allied Matters Act requires the establishment of an Audit Committee on the Boards of Companies. There are three shareholders representative on the committee, Two Non-Executive Directors and One Independent director. The Committees' duties are stated as follows in accordance with CAMA:

- Assist in the oversight of the integrity of the Company's financial statements, compliance with legal and other regulatory
- The Committee shall keep under review the effectiveness of the Company's financial reporting and the statements to be
- Review of the terms of engagement and recommend the appointment or re-appointment and compensation of external
- Ensure the development of comprehensive internal control framework for the Company, obtain assurance and report annually in the financial statements on the operating effectiveness of the Company's internal control framework.
- Oversees management's process for identification of significant fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.

Committee Meetings' attendance

Meetings held					
Names	**25-Feb-21**	**19-May-21**	**18-Aug-21**	**04-Nov-21**	**14-Dec-21**
Christie O. Vincent	Y	Y	Y	Y	Y
Bisi Bakare	Y	Y	Y	Y	Y
Adio Olaoluwa Simeo	Y	Y	Y	Y	Y
Akintola O Ajayi	Y	Y	Y	Y	Y
Shamsideen Kareem	Y	Y	Y	Y	Y
Key:	**Y-Present**	**X - Absent**	**N/A-Not Applicable**		

The company continues to improve on its corporate governance best practices. The transparency and the commitment of the Board and Management are very encouraging. The establishment of the Internal Control and Compliance which is now separated from the Internal Audit will strengthen the risk management and ensure good corporate governance of the company. The Staff has also been exposed to both internal and external training programme for effective performance.

The Board should endeavour to appoint an Independent Non-Executive Director in compliance with the Codes and as recommended in the previous report. The late filing of returns to regulatory authorities with significant penalties continued to be a major challenge and the Board and Management should address it. The annual General Meeting which provides a unique opportunity to communicate with members and other stakeholders of the Company should be held as when due.

We have no doubt that the company will continue to perform well and sustain the continuing improvement in its corporate governance practices.

Mrs Olajumoke Bakare
FRC/2013/NBA/000000001439
First Almond Attorneys
28 April 2022

Report of the Audit Committee
For the year ended 31 December 2021

In accordance with the provisions of Section 404(4) of the Companies and Allied Matters 2020, the members of the Audit Committee of Great Nigeria Insurance Plc hereby report as follows:

· We have exercised our statutory functions under Section 404(4) of the Companies and Allied Matters Act of Nigeria 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 audits for the year ended 31 December 2021 were satisfactory and reinforce the Company's internal control system.

We are satisfied that the company has complied with the provisions of National Insurance Commission Circulars and Guidelines.

· We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management’s responses to their recommendation for improvement and with the effectiveness of the Company’s system of accounting and internal control.

SIGNED ON BEHALF OF THE COMMITTEE BY:

Mrs. Christie O. Vincent-Uwalaka
FRC/2013/ICAN/00000002666
28 April 2022

Members of the Audit Committee are:

1	Mrs. Christie O. Vincent-Uwalaka	Chairperson
2	Mr. Akintola O. Ajayi	Member
3	Mr. Shamusideen Kareem	Member
4	Mrs Bisi Bakare	Member
5	Mr Adio Oluwa Simeon	Member

Statement of Directors' Responsibilities
For the preparation and approval of the Consolidated and Separate Financial Statements

The Directors of Great Nigeria Insurance Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2021, and the results of its operations, statements of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, the Insurance Act CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and the IFRS; and
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company.

Going Concern:
The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.
The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021 were approved by the board of directors on 28 April 2022.

Mr. Bade Aluko
Chairman
FRC/2016/IODN/00000015579

Mrs. Cecilia O. Osipitan
Managing Director/CEO
FRC/2012/CIIN/00000000596

Statement of Corporate Responsibility for the Financial Statements for the year ended 31 December 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Financial Controller, hereby certify the financial statements of Great Nigeria Insurance Plc for the year ended 31 December 2021 as follows:

(a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.

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

(c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2021.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the year end 31 December 2021.

(e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date

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

(g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

Mrs. Cecilia O. Osipitan
Managing Director/Chief Executive Officer
FRC/2012/CIIN/00000000596
28 April 2022

Adedayo Olukemi R.
Chief Financial Officer
FRC/2020/001/00000022333
28 April 2022

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Great Nigeria Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Great Nigeria Insurance Plc ("the Company") and its subsidiaries (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

Key Audit Matters

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

Valuation of insurance contract liabilities

The Group has significant life and non-life insurance contract liabilities. The valuation of insurance contract liabilities involve high estimation uncertainties and significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.
The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 3.21(accounting policy), note 4(a) (critical accounting estimates and judgments) and note 17 (insurance contract liabilities).

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design and implementation of key controls instituted by the Group which includes management review of data used for the valuation of insurance contract liabilities.
- We agreed the underlying data used in actuarial valuations of insurance contract liabilities to source documentation.
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Group’s external actuary for determining the insurance contract liabilities.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuary including assumptions on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate. See note 49 (d)

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate information, directors' report, statement of directors' responsibilities, Corporate governance report, statement of Corporate responsibility for the financial statements, value added statement, five year financial summary, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

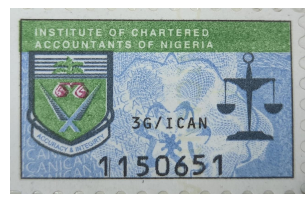
From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA) 2020 and section 28(2) of the Insurance Act, 2003.

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

Akinyemi Ashade
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
30 June 2022
Lagos, Nigeria



1 General information

1.1 Reporting entity

Great Nigeria Insurance Plc ("the Company") underwrites life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Company does business in Nigeria. The Company is a limited liability company incorporated and domiciled in Nigeria. The address of its registered office is No. 8 Omo Osagie Street, Ikoyi. Lagos.

1.2 Principal Activity

The consolidated and separate financial statements comprise the Company and its subsidiary (together referred to as "the Group"). The Group is primarily involved in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers.

1.3 Going concern

The Consolidated and separate 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 Group has adequate resources to continue as going concern for the foreseeable future.

2 Application of new and revised International Financial Reporting Standards (IFRS)

(a) New and amended standards and interpretations effective during the reporting year

The Group has applied the following new and amended standards and interpretations for the first time for annual reporting period commencing 1 January 2021. The directors are of the opinion that the impact of the application of the new and amended Standards and Interpretations will be as follows:

(i) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The standard is effective for annual periods beginning on or after 1 January 2021. Application will not impact amounts reported or prior periods.

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities, and lease liabilities.

Changes in basis for determining cash flows
The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

Disclosure
The amendments will require the Company to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

(b) Effective standards not yet adopted by the Group

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) Insurance contracts (IFRS 17) - Effective for financial year commencing 1 January 2023
IFRS 17 replaced IFRS 4 *Insurance Contracts*

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

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

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

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.

(ii) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities, and lease liabilities.

Changes in basis for determining cash flows
The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

Disclosure
The amendments will require the Company to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

The standard is effective for annual periods beginning on or after 1 January 2021. Application will not impact amounts reported for 2020 or prior periods.

(iii) Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(iv) Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(v) Amendments to IFRS 10 and IAS 28

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(c) Existing Accounting Standards

(i) Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

Effective for annual periods beginning on or after 1 January 2020.

Key requirements In September 2019, the IASB issued amendments to IFRS 9, IAS 39

Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.
The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9
The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory.
The first three reliefs provide for:
• The assessment of whether a forecast transaction (or component thereof) is highly probable
• Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
• The assessment of the economic relationship between the hedged item and the hedging instrument

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

ii. Definition of a Business - Amendments to IFRS 3
Effective for annual periods beginning on or after 1 January 2020

Key requirements
The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Minimum requirements to be a business
The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs.

Market participants' ability to replace missing elements
Prior to the amendments, IFRS 3 stated that a business need not include all of the inputs or processes that the seller used in operating that business, 'if market participants are capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes'. The reference to such integration is now deleted from IFRS 3 and the assessment must be based on what has been acquired in its current state and condition

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act CAP I17 LFN 2004, the Financial Reporting Council Act, 2011 and the Guidelines issued by the National Insurance Commission (NAICOM) to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).Matters Act CAP C20 LFN 2004, Insurance Act CAP I17 LFN 2004, the Financial Reporting Council Act, 2011 and the Guidelines issued by the National Insurance Commission (NAICOM) to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

(b)Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange transactions except for certain investments whose valuation was based on observable input from asset managers.

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

These consolidated and separate financial statements are prepared on the historical cost basis except for the following material items in the statement of financial position.

(i) Financial instruments designated at fair value though profit or loss are measured at fair value.
(ii) Amortized cost instruments are measured at fair value.
(iii) Financial liabilities measured at amortized cost.
(iv) Land and building measured at revalued amount.
(v) Investment properties measured at fair value
(vi) Insurance liabilities measured at present value of future cashflows.

(c) Functional and presentation currency

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

(d) Use of judgments and estimates

The preparation of consolidated and separate 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 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 recognized in the financial statements are described in note 4 to the financial statements.

(e) Regulatory authority and financial reporting

The Group is regulated by the National Insurance Commission (NAICOM) under the Insurance Act and NAICOM circulars and guidelines. The Act specifies certain provisions which have impact on financial reporting as follows:

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

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

iii) Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under Note 3.29 to cover fluctuations in securities and variation in statistical estimates;

iv) Section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

v) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act;

(ii) 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;

(iii) Section 25 (1) requires an insurance Group operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

See Note 56 for assets allocation that covers policy holders' funds.

However, section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and 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 Insurance Act CAP I17 LFN 2004 which conflict with the provisions of IFRS have not been adopted:

i) Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 3.21(i) (b) on accounting policy for outstanding claims.

ii) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 3.20(b)(ii) on accounting policy for unexpired risk and unearned premium.

Except for the changes explained in Note 2 above, the Group has consistently applied the following accounting policies to all periods presented in the financial statement.

3.1 Basis of Consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date-i.e. when control is transferred to the Group (see 3.1(iv)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.14). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent are recognized in profit or loss.

(ii) Non-controlling interest

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

(iii) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee. The consolidated financial statements incorporate the assets liabilities, result of GNI Healthcare Limited and GNI Capital Management Limited. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Loss of Control

When the Group loses control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

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

3.2 Foreign currency

(a) *Foreign currency translation*

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

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

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

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of available for sale equity instruments

3.3 Interest

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability. When calculating the effective

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

Interest income and expense presented in the statement of total comprehensive income include:

- Interest on financial asset and financial liabilities measured at amortized cost calculated on an effective interest basis;
- Interest on available-for-sale investment securities calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are incidental to the group's trading operation and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

3.4 Commission

Commissions are recognized on ceding business to the re-insurer and are credited to income statement over the period the service is provided.

3.5 Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realized and unrealized fair value changes, interest, dividends, and foreign exchange differences. Investment income is accounted for on an accrual basis. Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognized within 'investment income' and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognized as an adjustment to the effective interest rate of the instrument. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.6 Dividend

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for quoted securities. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

3.7 Leases

At inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the

Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered during current reporting period that resulted in a finance lease classification.

3.8 Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum Tax

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

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

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

Deferred taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- temporary differences related to investments in subsidiaries to the extent that is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profit are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of the future taxable profits improves.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.9 Financial assets

Initial recognition and measurement

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

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

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

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

Measurement and recognition of expected credit losses

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

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

Derecognition of financial instruments

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

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

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

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

Offsetting financial instruments

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

Hedge Accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about a Company’s risk management activities have also been introduced.

Financial assets

a) Classification and subsequent measurement

To measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. The classification is based on the results of the Company’s business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the Company as at 31 December 2021 are fair value through profit or loss; at fair value through other comprehensive income and at amortized cost. At initial recognition, all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss

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

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

In line with our accounting policy, investment in federal government securities for Annuity portfolio will have an initial asset recognition classified as fair valued to profit or loss.

Fair value changes relating to financial assets designated at fair value through profit or loss are recognized in 'Net gains from financial assets held for trading'.

ii) Amortized Cost

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

a. the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows (the business model test) and

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

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

iii) Fair Value through other comprehensive income (FVTOCI)

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

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

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. The company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

Financial assets that are debt instruments, Lease receivables, Loan and advances to customers, Other Loans and receivables, Financial guarantee contracts issued; and Loan commitments issued. the Company measures expected credit losses and recognizes interest income on risk assets based on the following stages:

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

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

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

i. Quantitative element, a quantitative comparison of PD at the reporting date and PD at initial recognition
ii. Qualitative elements
iii. Backstop indicators

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

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

Significant increase in credit

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

i) Assets carried at amortized cost

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

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether disposal is probable.

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

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

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

ii) Assets classified as fair value through other comprehensive income

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

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

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

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

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

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

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Company's senior management and is done because of external or internal changes which are significant to the Company's operations and demonstrable to external parties.

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

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

Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly 'due to Groups', 'deposit from customers' and 'other liabilities. These are all classified as financial liabilities measured at amortized cost.
These financial liabilities are initially recognised at fair value and subsequently measured at amortized cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all 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 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.

Measurement

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

Amortized cost measurement

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

Fair value measurement

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

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

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

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

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

Forward-Looking

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

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

(a) Recognition

The Group initially recognises loans and advances issued on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.
A financial assets or financial liability is measured at fair value plus, for an item not at fair value through profit or loss, transaction cost that are directly attributable to its acquisition or issue.

(b) Classification

(i) *Financial assets*

The group classifies its financial assets into the following categories

- Measured at Amortized cost;
- at fair value through profit or loss, and within this category as:
- held for trading; or
- designated at fair value through profit or loss.

(ii) *Financial liabilities*

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

Derecognition

(i) *Financial assets*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lender and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction like repurchase transactions as the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognises the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(ii) *Financial liabilities*

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(d) Offsetting

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

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

(e) Amortized cost measurement

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

(f) Fair value measurement

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

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities based on the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(g) Identification and measurement of impairment

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired includes:
- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- restructuring of a loan or advance by the Group on terms that the Group would not otherwise;
- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security, or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment. In respect of equity securities that are quoted, the Group is guided by the following:
- a decline of more than 20% is generally regarded as significant and
- a decline in quoted price that persists for nine months is prolonged.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, any increase in fair value is recognised through Other Comprehensive Income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security in Other Comprehensive Income.

The Group writes off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when the Group determines that there is no realistic prospect of recovery.

(h) Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the NAICOM's "NO PREMIUM NO COVER" policy.

3.10 Cash and cash equivalents

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

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

3.11 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment properties are measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and regarding recent market transactions for similar properties in the same location.

In an active market, an independent valuer, holding a recognized and relevant professional qualification and with recent experience in the location and category of investment property being valued, values the portfolio annually. Any gain and loss arising from a change in the fair value is recognized in the statement of profit or loss.

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

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent measurement.

3.12 Property, plant and equipment

(a) Recognition & measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. However, Land and building

are carried at revalued amounts and the revaluation happens on a yearly basis.
If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Ongoing repairs and maintenance are recognised in profit or loss as incurred.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using the straight-line method over the estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.
The estimated useful lives of significant items of property, plant and equipment are as follows:

	Years
Buildings	40
Furniture and equipment	8
Computer equipment	3
Fixtures and fittings	8
Motor vehicles	4
Generating Set	4

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An 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. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit and loss account for the period.

(d) De-recognition

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

3.13 Intangible assets

(a) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible asset. For the measurement of goodwill at initial recognition, see ((3.1)(i)). After initial recognition, goodwill is measured at cost less accumulated impairment losses.

(b) Purchased software

Expenditure on internally developed software is recognised as an asset when the Group can demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years. This is reassessed annually.

3.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows

are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses are recognised in profit or loss. For other assets, 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 recognised.

3.15 Reinsurance assets

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts have been set out under note 3.20 (b)(iii).

3.16 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts.

Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the ratio of unearned premium to written premium.

3.17 Segment reporting

Segment results that are reported to the Group's Board of Directors (being the chief operating decision maker) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's reportable segments under IFRS 8 are therefore identified as follows:

- Non-life insurance;
- Life insurance;
- Healthcare

Capital Management

The other segment includes corporate expenses and other activities not related to the core business segments and which are not reportable segments due to their immateriality. Certain expenses, finance costs and taxes are not allocated across the segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, certain finance costs and tax expense. This is the measure reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

3.18 Prepayments

Prepayments are carried at cost less accumulated impairment losses and are amortised on a straight-line basis to the profit and loss account.

3.19 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. Statutory deposit represents 10% of the paid-up capital of the Group deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act CAP I17 LFN 2004. Statutory deposit is measured at cost and interest income on it is measured using the effective interest rate method.

3.20 Classification of insurance contracts

The Group issues contracts that transfer insurance risk.

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

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Types of insurance contracts

The Group classify insurance contracts into life and non-life insurance contracts

(i) *Non-life insurance contract*

These contracts are accident, casualty, and property insurance contracts.

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

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

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

(ii) *Life insurance contract*

These contracts insure events associated with human life (for example death). These are divided into the individual life, group life and annuity contract.

-Individual life Contract

Individual life contracts are usually long-term insurance contract and span over one year while the group life insurance contract usually cover a period of 12months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognized. The liability is determined as the sum of the expected discounted value of the benefit payment and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on the assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity Contract

These contracts ensure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contract are fixed annuity plans. Policy holders make a lump sum payment recognized as part of the premium in the period when the payment was made. Constant and regular payments are made to annuitants based on the terms and conditions agreed at the inception of the contract and throughout the life of the annuitant. The annuity funds are invested in long tailed government bond and are reasonably money market instrument to meet up with the payments of the monthly quarterly annuity payments. The annuity funds liability is actually determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts- Recognition and measurement

(i) *Premiums*

Gross premiums comprise the premiums on insurance contracts entered during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is recognised gross of commission expense.

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

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

Annuity premiums relate to single premium payments and are recognized as earned premium income in the period in which payments are received. Premiums are recognized as revenue when they become payable by the contract holders.

(ii) *Unearned premiums*

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

(iii) *Reinsurance*

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

Premium ceded, claims reimbursed, and commission recovered are presented in the income statement and balance sheet separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance recoverable are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the income statement as a result of an event that occurred after its initial recognition, for which the Group may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(iv) *Claims incurred*

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represents the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to profit or loss as incurred.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary because of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial period in which adjustments are made and disclosed separately if material.

Reinsurance recoverable are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in the income statement.

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policyholders' liabilities.

Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(v) *Deferred acquisition costs*

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

(vi) *Liabilities and related assets under liability adequacy test*

The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made, and the Group recognizes the deficiency in the income statement for the year. The liability adequacy test is performed yearly by EY Nigeria.

(vii) *Salvages*

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

Salvage recoveries are presented net of the claim expense.

(viii) *Subrogation*

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss.

A receivable for subrogation is recognized in other receivables when the liability is settled, and the Group has the right to receive future cash flow from the third party.

3.21 Insurance contract liabilities

Insurance contract liabilities are determined as follows:

i *Non-life business*

(a) *Reserves for unearned premium and unexpired risk*

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

(b) *Reserves for outstanding claims*

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

(i) *Reserving methodology and assumptions*

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

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

(ii) *Discounted inflation-adjusted basic chain ladder method*

Historical claims paid were grouped into 6 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 6 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

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

The resulting claims estimated is discounted to the valuation date using a discount rate of 12% to allow for a margin of prudence.
The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding.

(iii) *Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method*

This method assumes the following:

- The future claims follow a trend pattern from the historical data
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
- The runoff period is seven (7) years and hence the method assumes no more claims will be paid subsequently.
- That weighted past average inflation will remain unchanged into the future.

(iv) *Expected loss ratio method*

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special Risk reserves were estimated based on this method. Under this method, the ultimate claims were obtained by assuming loss ratio of 30%, where loss ratio is defined as claims incurred divided by earned premiums. Outstanding claims is stated as amount estimated

(II) Life business

(a) *General reserve fund*

This is made up of net liabilities in force as computed by the actuaries at the time of the actuarial valuation.
Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising therefrom are charged to the profit and loss account while the surplus is appropriated to the shareholders and credited to the income statement.

(b) *Reserves for outstanding claims*

See 3.21(I)(b)

3.22 Recognition and measurement of investment contracts

Investment contracts and the related receipts and payments are accounted in the balance sheet in line with the accounting policies for financial instruments stated in note 3.9 The deposit liability recognized in the balance sheet represents the amounts payable to the holders of the investment contracts gross of allocated investment income.

3.23 (i) Trade and other payables

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

(ii) Deposit for Shares

The company recognises investment in its subsidiary which has not been allotted for shares as a receivable being described as deposit for shares. The liability is accrued in the book of the subsidiary and eliminated in the group account.

3.24 Provisions

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

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

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

3.25 Borrowing and finance costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred, except for those that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of that asset.

3.26 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group operates a defined contribution pension scheme. This scheme was started post 2004. Employees are entitled to join the scheme on commencement of employment. Employee and the Group contributions are 12.5% each of the employee's annual basic salary, housing, and transport allowance respectively. Employee contributions are funded through payroll deductions while the Group's contribution is expensed in profit or loss. Contributions under this scheme are remitted to the individual employee's pension fund administrator.

(b) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. to calculate the present value of economic benefits, consideration is given to any applicable minimum funding arrangements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

(e) Short-term employee benefits

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

3.27 Share capital and reserves

Share capital

The Group classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

Dividend on ordinary shares

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

3.28 Asset revaluation reserve

Assets revaluation reserves represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date.

3.29 Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business. Contingency reserve for life business is credited with the higher of 1% of gross premiums and 10% of profit after taxation. The National Health Insurance Scheme (NHIS) requires all Healthcare Management Organization (HMOs) to make a reserve of 5% of the total fee-for-service income received from the NHIS for the year in respect of the public sector enrollees to cover claims for medical services rendered in arrears by the healthcare providers to the enrollees. However, no reserve was made in the current year as the Company did not have any public sector enrollee.

3.30 Earnings per share

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

3.31 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.
Underwriting expenses for insurance contracts and investment contracts are recognized as expense when incurred, except for acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.32 Management expenses

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

3.33 Employee Benefit expenses

Employee benefit expenses are expenses that relate to staff costs. See note 3.26 for accounting policy on employee benefits.

3.34 Dividend

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

3.35 Actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to the income statements.

Consolidated and Separate Statement of Financial Position
As at 31 December 2021

In thousands of Naira	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Assets					
Cash and cash equivalents	5	7,249,123	6,376,274	7,123,621	6,272,625
Financial assets	6	4,880,973	1,568,831	4,880,973	1,568,831
Trade receivables	7	66,142	86,152	1,154	6,989
Reinsurance assets	8	265,355	256,649	265,355	256,649
Deferred acquisition cost	9	74,260	68,395	71,579	64,995
Other receivables and prepayment	10	280,295	506,129	202,192	406,643
Investment in subsidiary	11	-	-	348,146	339,257
Investment properties	12	5,693,415	5,013,315	5,693,415	5,013,315
Intangible assets	13	173,747	171,080	169,318	168,880
Right of Use (ROU) Assets	14	71,507	81,722	71,507	81,722
Property, plant and equipment	15	1,528,777	1,144,739	1,285,460	912,842
Statutory deposit	16	500,000	500,000	500,000	500,000
Total assets		20,783,594	15,773,286	20,612,720	15,592,748
Liabilities					
Insurance contract liabilities	17	12,013,192	8,634,729	11,896,308	8,502,983
Investment contract liabilities	18	479,218	450,535	479,218	450,535
Trade payables	19	9,781	9,781	9,781	9,781
Retirement benefit obligation	20	1,722	1,722	1,722	1,722
Lease liability	21	35,874	31,195	35,874	31,195
Provisions and other payables	22	1,150,157	1,162,806	1,131,047	1,145,230
Deferred tax liabilities	23	626,077	318,840	620,405	304,208
Current income tax liabilities	24	55,486	139,654	50,027	133,408
Total liabilities		14,371,507	10,749,262	14,224,382	10,579,062
Net assets		6,412,087	5,024,024	6,388,338	5,013,686
Equity					
Issued and paid up capital	25	1,913,742	1,913,742	1,913,742	1,913,742
Share premium	26	3,110,664	3,110,664	3,110,664	3,110,664
Contingency reserve	27	1,415,256	1,244,966	1,415,256	1,244,966
Retained earnings	28	(1,455,992)	(2,352,146)	(1,347,578)	(2,246,456)
Fair value reserve	29	380,461	372,405	380,461	372,405
Assets revaluation reserve	30	998,219	689,461	915,793	618,365
Total equity attributable to owners of the Company		6,362,350	4,979,092	6,388,338	5,013,686
Non-controlling Interest	31	49,737	44,932	-	-
Shareholder's fund		6,412,087	5,024,024	6,388,338	5,013,686

These financial statements were approved by the Board of Directors on 28 April, 2022 and signed on its behalf by:

Mr Bade Aluko
Chairman
FRC/2016/IODN/00000015579

Cecilia .O. Osipitan
Managing Director/CEO
FRC/2012/CIIN/00000000596

Additional certification by:

Adedayo Olukemi R.
Chief Financial Officer
FRC/2020/001/00000022333

Consolidated Statements of Profit or loss and other comprehensive income
For the year ended 31 December 2021

In thousands of Naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross premium written	32	8,605,957	7,379,932	8,368,607	7,164,075
Changes in unearned premium	33a	(31,459)	1,171,915	(56,779)	1,196,444
Earned premium income	32(a)	8,574,498	8,551,847	8,311,828	8,360,519
Reinsurance expense	32(a)	(550,884)	(521,915)	(550,884)	(521,915)
Net insurance premium revenue		**8,023,614**	**8,029,932**	**7,760,944**	**7,838,604**
Commission income	33	105,823	121,750	105,823	121,750
Net underwriting Income		**8,129,437**	**8,151,682**	**7,866,767**	**7,960,354**
Net claims expense	34	2,306,097	1,619,245	2,156,413	1,488,396
Acquisition expenses	35	465,505	629,467	450,691	615,952
Maintenance costs	36	90,895	176,649	90,895	176,649
Changes in Life fund	34(iii)	3,593,568	5,447,028	3,593,568	5,447,028
		6,456,065	**7,872,389**	**6,291,567**	**7,728,025**
Underwriting results		**1,673,372**	**279,293**	**1,575,200**	**232,329**
Investment income	37	669,801	308,939	661,035	304,022
Net fair value gains/ (loss) on assets measured at fair value through profit or loss:	38	613,371	230,528	613,371	230,528
Other operating income	39	26,714	161,737	26,120	161,737
Management expenses	40	(1,647,188)	(1,607,452)	(1,550,223)	(1,501,400)
Finance Cost	40(c)	(4,679)	(4,062)	(4,679)	(4,062)
Profit/(loss) on investment contracts	18(d)	38,756	(244)	38,756	(244)
Results of operating activities		**1,370,147**	**(631,260)**	**1,359,580**	**(577,088)**
Impairment losses	41	(90,333)	(97,629)	(81,444)	(97,629)
Profit/(loss) before minimium taxation		**1,279,814**	**(728,889)**	**1,278,136**	**(674,717)**
Minimum tax expense	24(b)	(5,399)	(4,042)	(4,719)	(3,551)
Profit/(loss) before taxation		1,274,415	(732,931)	1,273,418	(678,268)
Income tax expense	24(b)	(205,102)	(40,510)	(204,250)	(40,019)
Profi /(loss) after taxation		**1,069,313**	**(773,441)**	**1,069,168**	**(718,287)**
Other comprehensive income, net of tax					
Items within OCI that will not be reclassified to the profit or loss:					
Gain on revaluation of Land and Building	30	441,900	46,715	424,900	43,421
Tax on revaluation gains on revaluation of property	30	(130,237)	(11,619)	(127,470)	(13,026)
		311,663	**35,096**	**297,430**	**30,395**
Fair value gains on unquoted equities		8,055	141,379	8,055	141,379
Other comprehensive income		**319,718**	**176,475**	**305,485**	**171,774**
Total comprehensive income / (losses) for the year		**1,389,031**	**(596,966)**	**1,374,653**	**(546,513)**
Profit/(loss) attributable to:					
Shareholders		1,066,444	(765,734)	1,069,168	(718,287)
Non-controlling interest		2,869	(7,707)	-	-
		1,069,313	**(773,441)**	**1,069,168**	**(718,287)**
Total comprehensive income / (losses) attributable to:					
Shareholders of the parent company		1,363,784	(562,542)	1,374,653	(546,513)
Non-controlling interest		25,247	(34,424)	-	-
		1,389,031	**(596,966)**	**1,374,653**	**(546,513)**
Loss per share					
– Basic loss per share (k)	42	28	(20)	28	(19)
– Profit/(loss) per share (k)		28	(20)	28	(19)

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

Consolidated and Separate Statement of Changes in Equity

In thousands of Naira
Group

2021	**Share Capital**	**Share premium**	**Asset revaluation reserve**	**Fair Value reserve**	**Contingency reserve**	**Retained earnings**	**Total equity attributable to parent's shareholder**	**Non-Controlling interest**	**Total equity**
At 1 January 2021	1,913,742	3,110,664	689,461	372,405	1,244,966	(2,352,146)	4,979,092	44,932	5,024,024
									-
Profit /(loss) for the year	-	-	-	-	-	1,066,444	1,066,444	2,869	1,069,313
Other comprehensive income, net of tax:	-	-	-	-	-	-	-	-	-
Revaluation of property in use by the company	-	-	308,758	-	-	-	308,758	2,905	311,663
Gains on FVOCI assets	-	-	-	8,055	-	-	8,055	-	8,055
Total othercomprehensive income for the year	-	-	308,758	8,055	-	-	316,813	2,905	319,718
Total comprehensive income for the year	-	-	308,758	8,055	-	1,066,444	1,383,257	5,774	1,389,031
Transaction with owners, recorded directly in equity:									
Transfer to contingency reserve	-	-	-		170,290	(170,290)	-		
Adjustment to regularize misstatement of prior year NCI								(969)	(969)
Total transactions between owners of equity	-	-	-		170,290	(170,290)	-	(969)	(969)
At 31 December 2021	1,913,742	3,110,664	998,218	380,460	1,415,256	(1,455,992)	6,362,349	49,737	6,412,087

Group

2020	**Share Capital**	**Share premium**	**Asset revaluation reserve**	**Fair Value reserve**	**Contingency reserve**	**Retained earnings**	**Total equity attributable to parent's shareholder**	**Non-Controlling interest**	**Total equity**
At 1 January 2020	1,913,742	3,110,664	656,761	231,026	1,045,406	(1,386,852)	5,570,748	52,463	5,623,210
Profit /(loss) for the year	-	-	-	-	-	(765,734)	(765,734)	(7,707)	(773,441)
Other comprehensive income, net of tax:	-	-	-	-	-	-	-	-	-
Revaluation of property in use by the company	-	-	32,701	-	-	-	32,701	2,395	35,096
Gains on FVOCI assets	-	-	-	141,379	-	-	141,379	-	141,379
Total othercomprehensive income for the year	-	-	32,701	141,379	-	-	174,080	2,395	176,475
Total comprehensive income for the year	-	-	32,701	141,379	-	(765,734)	(591,655)	(5,312)	(596,966)
Transaction with owners, recorded directly in equity:									
Transfer to contingency reserve	-	-	-		199,560	(199,560)	-	(2,219)	(2,219)
Total transactions between owners of equity	-	-	-		199,560	(199,560)		(2,219)	(2,219)
At 31 December 2020	1,913,742	3,110,664	689,461	372,405	1,244,966	(2,352,146)	4,979,092	44,932	5,024,024

Company

2021	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained earnings	Total equity
At 1 January 2021	1,913,742	3,110,664	618,365	372,405	1,244,966	(2,246,456)	5,013,686
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,069,168	1,069,168
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	297,430		-	-	297,430
Fair Value of unquoted equities classified through OCI				8,055			8,055
Total other comprehensive income for the year	-	-	297,430	8,055	-	-	305,485
Total comprehensive income/(loss) for the year	-	-	297,430	8,055	-	1,069,168	1,374,653
Transaction with owners, recorded directly in equity:							
Transfer to contingency reserve	-	-	-	-	170,290	(170,290)	-
Total transactions between owners of equity	-	-	-	-	170,290	(170,290)	-
At 31 December 2021	1,913,742	3,110,664	915,795	380,460	1,415,256	(1,347,578)	6,388,339

Company

2020	Share Capital	Share premium	Asset revaluation reserve	Fair Value reserve	Contingency reserve	Retained earnings	Total equity
At 1 January 2020	1,913,742	3,110,664	587,970	231,026	1,045,406	(1,328,602)	5,560,206
Total comprehensive income for the year							
Loss for the year	-	-	-	-	-	(718,287)	(718,287)
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	30,395		-	-	30,395
Fair Value of unquoted equities classified through OCI				141,379			141,379
Total other comprehensive income for the year	-	-	30,395	141,379	-	-	171,774
Total comprehensive income/(loss) for the year	-	-	30,395	141,379	-	(718,287)	(546,520)
Transaction with owners, recorded directly in equity:							
Transfer to contingency reserve	-	-	-	-	199,560	(199,560)	-
Total transactions between owners of equity	-	-	-	-	199,560	(199,560)	-
At 31 December 2020	1,913,742	3,110,664	618,365	372,405	1,244,966	(2,246,456)	5,013,686

Consolidated and Separate Statements of Cash Flows
For the year ended 31 December 2021

In thousands of Naira

	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash flows from operating activities:					
Cash premium received	32(b)	8,625,967	7,274,378	8,374,442	7,157,086
Reinsurance premium paid	8 (b)i	(579,466)	(530,364)	(579,466)	(530,364)
Gross benefit and claims paid	34	(2,735,569)	(1,639,175)	(2,596,342)	(1,505,282)
Reinsurance recoveries	34(ii)	163,032	(103,276)	163,032	(103,276)
Acquisition expenses paid	9(b)	(471,370)	(503,082)	(457,275)	(493,150)
Maintenance expenses paid	36	(90,895)	(176,649)	(90,895)	(176,649)
Commission received	22	116,540	126,464	116,540	126,464
Net cash on deposit Administration contracts	40(e)	20,029	(3,350)	20,029	(3,350)
Other operating cash payments	40(d)	(967,837)	(468,838)	(1,213,529)	(823,723)
Cash paid to employees	40(a)	(593,048)	(598,526)	(555,708)	(552,528)
Cash generated from operations		3,487,383	3,377,583	3,180,828	3,095,228
Income tax paid	24	(105,941)	(61,480)	(103,621)	(59,964)
Net cash received from operating activities		3,381,442	3,316,103	3,077,207	3,035,264
Cash flows from investing activities:					
Purchases of property, plant and equipment	15	(26,335)	(151,795)	(23,627)	(98,234)
Proceed from disposal of property, plant and equipment	39(i)	1,198	12,395	-	12,395
Cash proceeds on disposal of Investment Property	12e	-	384,000	-	384,000
Additions to Investment Property	12a	(51,008)	-	(51,008)	-
Intangible asset	13	(82,425)	(178,392)	(82,425)	(178,392)
Purchase of financial assets	6(d)	(3,686,833)	(40,244)	(3,686,833)	(40,244)
Proceeds from disposal and redemption of financial assets	6(d)	595,029	23,719	595,029	23,719
Dividend received	37	14,851	23,141	14,851	23,141
Interest received	37(a)	649,988	267,363	644,129	264,746
Rent received	37(b)	40,253	61,636	326,984	337,576
Net cash received/ (provided) from investing activities		(2,545,282)	401,824	(2,262,900)	728,708
Cash flows from financing activities:					
Purchase of Additional shares	11	-	-	-	(50,000)
Net cash provided/ (used in) financing activities		-	-	-	(50,000)
Cash and cash equivalent at beginning of year		6,446,307	2,702,743	6,342,658	2,603,052
Effect of exchange rate fluctuation on cash held	39	7,823	25,637	7,823	25,634
Net change in cash and cash equivalent		836,160	3,717,927	814,307	3,713,972
Cash and cash equivalent at end of year	5	7,290,290	6,446,307	7,164,788	6,342,658

Notes to the consolidated and separate financial statements

5 Cash and cash equivalents

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash at bank and in hand	443,205	514,964	440,533	510,802
Short-term bank deposits (note 5.1)	6,847,085	5,931,343	6,724,255	5,831,856
Cash and cash equivalent for cash flow purposes	7,290,290	6,446,307	7,164,788	6,342,658
Less:				
Allowance for ECL Impairment (note 5.2)	(41,167)	(70,033)	(41,167)	(70,033)
	7,249,123	**6,376,274**	**7,123,621**	**6,272,625**

5.1 Short term bank deposits have an average maturity period of three months, and are made depending on the cash requirement of the Company. The average interest rate per annum of the bank deposits is 0.7% (2020: 0.15%). The carrying amounts reasonably approximate the fair value at the reporting date.

5.2 The movement in the impairment balance is as follows:

	GROUP		COMPANY	
In thousands of Naira	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
At 1 January	70,033	11,373	70,033	11,373
ECL impairment charge/ (reversal) for the year	(28,866)	58,660	(28,866)	58,660
At 31 December	41,167	70,033	41,167	70,033

6 Financial assets

Financial assets comprise of:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Amortised cost (see note (6a) below)	355,901	570,277	355,901	570,277
Fair value through other comprehensive income (see note (6b) below)	552,416	541,807	552,416	541,807
Fair value through profit or loss (see note (c) below)	3,972,656	456,747	3,972,656	456,747
	4,880,973	**1,568,831**	**4,880,973**	**1,568,831**
Current	355,901	570,277	355,901	570,277
Non current	4,525,072	998,554	4,525,072	998,554
	4,880,973	**1,568,831**	**4,880,973**	**1,568,831**

6(a) Amortised Cost

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Goverment bond	-	-	-	-
Corporate bond	262,194	262,224	262,194	262,224
Treasury bills	58	181,741	58	181,741
Loans and receivables	178,560	135,209	178,560	135,209
	440,812	579,174	440,812	579,174
Expected credit loss impairment charge	(84,911)	(8,897)	(84,911)	(8,897)
	355,901	**570,277**	**355,901**	**570,277**

6(b) Fair value through other comprehensive income

At 1 January	541,807	400,428	541,807	400,428
Fair value gain / (Additions) on FVTOCI assets (see 6b(ii) below)	10,609	141,379	10,609	141,379
At 31 December	552,416	541,807	552,416	541,807

(i) FVTOCI assets include investment in WAICA Reinsurance Plc at a cost $141,981 with an exchange rate of N435/$ and Other Company's as detailed in note (6bii)

(ii)

Fair value through other comprehensive income	01-Jan-21	Additions	Gain / (loss)	31-Dec-21
Nigeria Aluminium Extrusion Limited	28,675	-	-	28,675
Sterling Assurance Nigeria Limited	143,126	-	-	143,126
Montgomery Vaults Nigeria Limited	28,923	-	(5,525)	23,398
Capital Bancorp Ltd Ordinary Shares of N1.00 each	263,106	-	29,796	292,902
WAICA Reinsurance Plc (Ordinary Shares of $3.26 @N435)	77,978	-	(16,216)	61,762
Others	-	2,554	-	2,554
TOTAL	**541,807**	**2,554**	**8,055**	**552,416**

Notes to the financial statements

6(c) Fair value through profit and loss

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	456,747	435,121	456,747	435,121
Additions during the year	3,531,630	3,595	3,531,630	3,595
Fair value loss / (gain) (see note 38)	(15,721)	18,031	(15,721)	18,031
At 31 December	**3,972,656**	**456,747**	**3,972,656**	**456,747**

Changes in fair value of financial assets at fair value through profit or loss are recorded as net trading income on financial assets in the income statement. The fair value of all equity securities is based on their current bid prices on the Nigerian Stock Exchange.

6(d) Movement schedule of finanacial assets

In thousands of Naira

2021	Amortised costs	FVOCI assets	FVTPL Assets	Total
At 1 January	570,277	541,807	456,747	1,568,831
Additions	152,649	2,554	3,531,630	3,686,833
Maturity / redemption	(595,029)	-	-	(595,029)
Interest accrued	663,051	-	-	663,051
Interest received	(350,136)	-	-	(350,136)
Fair value gain /(loss)	-	8,055	(15,721)	(7,666)
Impact of expected credit loss charge	(84,911)	-	-	(84,911)
At December	**355,901**	**552,417**	**3,972,656**	**4,880,973**

2020	Amortised costs	FVOCI assets	FVTPL Assets	Total
At 1 January	549,338	400,428	435,121	1,384,887
Additions	36,649	-	3,595	40,244
Maturity / redemption	(23,719)	-	-	(23,719)
Interest accrued	281,652	-	-	281,652
Interest received	(264,747)	-	-	(264,747)
Fair value loss	-	141,379	18,031	159,410
Impact of expected credit loss charge	(8,897)	-	-	(8,897)
At December	570,277	541,807	456,747	1,568,831

7 Trade receivables

Trade receivables comprise:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Due from agents	84,390	98,565	-	-
Due from brokers	1,154	6,676	1,154	6,676
Due from insurance companies	-	313	-	313
	85,544	105,554	1,154	6,989
ECL Impairment allowance (see note (i) below)	(19,402)	(19,402)	-	-
	66,142	**86,152**	**1,154**	**6,989**

(i) Movement in impairment allowance

Allowance as at 1 January	19,402	17,502	-	-
Impairment allowance charge during the year	-	1,900	-	-
Allowance as at 31 December	19,402	19,402	-	-

The average credit period on trade receivables for the insurance company is 30 days. No interest is charged on outstanding trade receivables.

The premium outstanding for the company as at statement of position date represent balance due from brokers and insurance companies which has been fully received as at 31 January, 2021.

(ii) The age analysis of trade receivables as at the end of the year was as follows:

Gross premium Days	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
0 - 30 days	85,544	105,554	1,154	6,989
	85,544	105,554	1,154	6,989

TABLE OF AGED ANALYSIS ON TRADE RECEIVABLE AS AT 31 DECEMBER 2021
COMPANY

NUMBERS OF SCHEMES	0-30 DAYS	31 - 60 DAYS	61- 90 DAYS	GRAND TOTAL
				N'000
3	1,154	-	-	1,154
3				**1,154**

8 Reinsurance assets

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance share of insurance liability-General business	119,768	92,119	119,768	92,119
Reinsurance share of insurance liability-Life business	19,150	19,440	19,150	19,440
Prepaid reinsurance reserve - life business	10,797	10,140	10,797	10,140
Prepaid reinsurance reserve - General business	60,149	39,294	60,149	39,294
Minimum and deposit premium- General business	55,490	48,420	55,490	48,420
Claims recoverable from reinsurance brokers	74,303	74,303	74,303	74,303
	339,659	**283,717**	**339,659**	**283,717**
Impairment allowance (see note (c) below)	(74,303)	(27,068)	(74,303)	(27,068)
	265,355	**256,649**	**265,355**	**256,649**

(a) The Company conducted an impairment review of the reinsurance assets and arrived at an impairment of N74 million at year end. The Company has the right to set-off reinsurance assets against reinsurance liabilities on settlement. The carrying amounts disclosed above approximate the fair value at the reporting date.

(b) Reinsurance assets consist of the following

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Prepaid reinsurance	70,946	49,434	70,946	49,434
Reinsurance share of IBNR	138,918	111,559	138,918	111,559
Claim recoverable	(0)	47,235	(0)	47,235
Minimum and deposit premium prepaid	55,490	48,420	55,490	48,420
	265,355	**256,649**	**265,355**	**256,649**

i **Movement in prepaid reinsurance**				
At 1 January	49,434	47,678	49,434	47,678
Additions in the year	579,466	530,364	579,466	530,364
Amortised in the year-reinsurance expense	(557,954)	(528,608)	(557,954)	(528,608)
At 31 December	**70,946**	**49,434**	**70,946**	**49,434**

ii **Movement in minimum and deposit premium**				
At 1 January	48,420	41,727	48,420	41,727
Amortised in the year- reinsurance expense	7,070	6,693	7,070	6,693
At 31 December	**55,490**	**48,420**	**55,490**	**48,420**

iii **Movement in reinsurance share of IBNR and Claim recoveries**	**Jan-01**	**Movement**	**Closing**
Reinsurance share of IBNR	111,559	27,360	138,918
Claim recoverable	47,235	(47,235)	(0)
At 31 December	**158,794**	**(19,875)**	**138,918**

(c) Movement in impairment allowance

Allowance at 1 January	27,068	27,068	27,068	27,068
Impairment charge during the year	47,235	-	47,235	-
Allowance for claim recoverable at 31 December	74,303	27,068	74,303	27,068

Notes to the financial statements

9 Deferred acquisition cost

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

In thousands of Naira

General business	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Deferred acquisition cost- Fire	15,211	14,603	15,211	14,603
Deferred acquisition cost- Gen. Accident	13,749	9,634	13,749	9,634
Deferred acquisition cost- Motor	8,948	13,708	8,948	13,708
Deferred acquisition cost- Marine	5,153	2,127	5,153	2,127
Deferred acquisition cost- Bond	16	-	16	-
Deferred acquisition cost- Oil & Gas	5,521	1	5,521	1
Deferred acquisition cost- Workmen's compensation	-	470	-	470
	48,599	40,542	48,599	40,542
Life Business	22,980	24,453	22,980	24,453
	71,579	**64,995**	**71,579**	**64,995**
Healthcare	2,681	3,400	-	-
	74,260	**68,395**	**71,579**	**64,995**
Current	74,260	68,395	71,579	64,995
Non- current	-	-	-	-
	74,260	**68,395**	**71,579**	**64,995**

(b) The movement in deferred acquisition costs is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	68,395	194,780	64,995	187,797
Additions during the year	471,370	503,082	457,275	493,150
Amortisation during the year	(465,505)	(629,467)	(450,691)	(615,952)
At 31 December	**74,260**	**68,395**	**71,579**	**64,995**

10 Other receivables and prepayment

(a) Other receivables and prepayments comprise:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Prepayment	18,356	17,892	18,356	17,192
Stock and inventory	7,542	7,542	7,542	7,542
Dividend receivable	5,509	5,509	5,509	5,509
Staff Advances	15,821	14,928	15,821	14,928
Rent receivable (note a (i) below)	146,663	140,964	146,663	140,614
Receivable from former Wema Bank Group (note a (ii) below)	72,145	72,145	72,145	72,145
Intercompany receivables (vi)	24,052	35,186	44,760	35,186
Deposit for investments (note a (iii) below)	102,094	102,094	102,094	102,094
Other receivables (note a (iv) below)	185,085	260,454	184,246	259,989
Sundry Debtors Account (vii)	65,707	216,144	65,707	216,144
Pre-incorporation cost on GNI Capital Management Limited (see note (v) below)	97,972	97,972	-	-
	740,945	970,829	662,842	871,343
Impairment allowance (note (b) below)	(460,650)	(464,700)	(460,650)	(464,700)
	280,295	**506,129**	**202,192**	**406,643**
Current	280,295	506,129	202,192	406,643
Non-current	-	-	-	-
	280,295	**506,129**	**202,192**	**406,643**

(i) Amount represents the rent receivable from tenants at the company's investment properties which is currently under litigation. Full impairment has been recognised for the amount as at year end.

(ii) The receivables from former Wema Bank group is made up of balances from Independent Securities, Wise Property Limited and Wema Secuirties Plc. Full impairment has been made for the account balance at the beginning of the year.

(iii) Deposit for investments represents investments of N96m in WEMASEC, N5.8m in Energy Insurance Pool. Full impairment allowance has been made for this balance at the beginning of the year, while discussion is ongoing with WEMA on the group receivaship liquidator for possible recovery of the investemnt.

(iv) Other receivables include balances due from Allied Bank Plc and the withholding tax recoverable. Allowance has been made on the account balance. While a total sum of N75m was recovered from other debtors.

(v) Amount represents the preincorporation costs incurred in setting up GNI Capital Management limited. The shares of the company are yet to be alloted as at period end.

(vi) Intercompany Receivables of N44,760m represents transactions that are carried out in the ordinary course of business with the Subsidiary.

(vii) Sundry Debtors of N65m represents the balance recoverable from the sum of N110m recoverable as claim from property located at 39/41 martins and N105m balance due from the sale of the property. A total sum of N150m from the total receivable of N216m was received during the year.

(b) The movement in impairment allowance on other receivables and prepayments during the year was as follows:

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
At 1 January	464,700	443,280	464,700	443,280
Addition during the year	-	36,633	-	36,633
Impairment write back during the year (note 41)	(4,050)	(15,213)	(4,050)	(15,213)
At 31 December	460,650	464,700	460,650	464,700

(c) *In thousands of Naira*

Description of Imparment Allowance	**Balance at 1 January 2021**	**Addition/(writeback) during the year**	**Balance at year end**
Prepayment	8,480	-	8,480
Stock and inventory	6,149	-	6,149
Dividend receivable	2,567	-	2,567
Staff Advances	22,369	-	22,369
Rent receivable	131,398	-	131,398
Deposit for investments	102,094	-	102,094
Receivable from former Wema Bank Group	72,145	-	72,145
Other receivable	119,498	(4,050)	115,448
At 31 December	464,700	(4,050)	460,650

11 Investment in subsidiary

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
At 1 January	-	-	381,854	331,854
Additions	-	-	-	50,000
Impairment allowance	-	-	(33,707)	(42,596)
At 31 December	**-**	**-**	**348,146**	**339,257**

11(i) On 4 July 2013, the Group acquired 97.5% of the common stock of GNI Healthcare Limited (formerly, Gamma Health Nigeria Limited), to carry on the business of healthcare financing and insurance, healthcare maintenance organization services and health risk management. This subsidiary was incorporated in July 2012. In 2020, the company invested additional capital through purchase of unalloted shares in GNI Healthcare which brings GNI Plc's shareholding to 82.9% from 79.4%.

11(ii) Movement in Investment in subsidiary

	Investment	**Impairment**	**Closing balance**
GNI Healthcare Limited	275,000	(33,707)	241,293
GNI Capital Management Limited (note 11(iii))	106,854	-	106,854
	381,854	**(33,707)**	**348,147**

11(iii) In 2018, the group incorporated GNI Capital Mangement Limited. The entity's objective is to manage the Group's investments including Investment Properties.
The movement in impairment allowance on investment in subsidiary during the year was as follows:

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
At 1 January	-	-	42,596	42,596
Writeback during the year (note 41)	-	-	(8,889)	-
At 31 December	-	-	33,707	42,596

12 Investment properties

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
At 1 January	5,013,315	5,278,818	5,013,315	5,278,818
Addition	51,008	-	51,008	-
Fair value gains (see note 12a)	629,092	212,497	629,092	212,497
Disposal of Asset	-	(478,000)	-	(478,000)
At 31 December	**5,693,415**	**5,013,315**	**5,693,415**	**5,013,315**

Notes to the financial statements

(a)	*In thousands of Naira*					
	PROPERTY	**01-Jan-21**	**Additions**	**Fair value gains /(losses)**	**Exchange difference**	**31-Dec-21**
1	GNI House, West Arbour, London	440,315	51,008	(51,008)		440,315
2	GNI House, Akure	402,000	-	3,000	-	405,000
3	GNI House, Abeokuta	285,000	-	101,100	-	386,100
4	GNI House, Wuse Abuja (note (i))	380,000	-	32,000	-	412,000
5	GNI Oregun WareHouse	905,000	-	70,000	-	975,000
6	GNI House, 47/57 Martins Street	2,601,000	-	474,000	-	3,075,000
	GRAND TOTAL	**5,013,315**	**51,008**	**629,092**	**-**	**5,693,415**

(b) The items of investment properties are valued as shown below:

In thousands of Naira Investment properties location	**Status of Title**	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
GNI House, Alagbaka Road Akure	Perfected	405,000	402,000	405,000	402,000
GNI House, Along Onikolobo Road, Panseke, Abeokuta	Perfected	386,100	285,000	386,100	285,000
GNI House, 47/57 Martins street, Off Broad Street Marina Lagos (see note (c) below)	Perfected	3,075,000	2,601,000	3,075,000	2,601,000
GNI House, 39/41 Martins street, Off Broad Street Marina Lagos	Perfected	-	-	-	-
GNI House, No. 11 Malanje Street, Wuse Zone 4 Abuja	Perfected	412,000	380,000	412,000	380,000
Oregun Warehouse, Plot 13-17, Morrison Crescent Oregun Lagos	Perfected	975,000	905,000	975,000	905,000
GNI House, No. 13, West Arbour Street London E1 OPQ U.K	Perfected	440,315	440,315	440,315	440,315
		5,693,415	**5,013,315**	**5,693,415**	**5,013,315**

(c) The property at 47/57 Marina Street, Marina Lagos was gutted by fire on 4 November, 2013 which affected mostly 1st, 2nd and 3rd floors including the mezzanine floor. The carrying amount of the property increased from N2.601billion to N3.075billion as a result of increase of N474million in the value of the land. The company has obtained approval for the renovation of the building from the Lagos State Physical Planning in year 2017. The claims received from the Insurers of the property has also been warehoused in a fund account and reported as a liability as at year end.

(d) The London property at 13, West Arbour street Stepney London, United Kingdom was valued 850,000 Pounds as at 31 December 2021 at N518 to ₤1 according to the National Autonomous Foreign Exchange (NAFEX) rates.

(e) The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, Ubosi Eleh & Co. (Estate Surveyors and Valuers) with FRC number FRC/2014/NIESV/0000000/3997 valued the properties on the basis of open market value as at 31 December 2021 and the valuation reports were signed by Ubosi Eleh with FRC number FRC/2013/NISEV/00000001493.

(f) The fair value measurement for the investment properties of N629million has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

(g) **Valuation technique and significant unobservable inputs**

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

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

Notes to the financial statements

13 Intangible assets

(a) *In thousands of Naira*

	Group		Company	
	Purchased Computer Software		Purchased Computer Software	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Cost:				
At January	530,059	351,667	530,059	351,667
Additions	82,425	178,392	82,425	178,392
At 31 December	612,484	530,059	612,484	530,059
Amortisation:				
At January	(361,179)	(281,824)	(361,179)	(281,824)
Amortisation charge	(81,987)	(79,355)	(81,987)	(79,355)
At 31 December	(443,166)	(361,179)	(443,166)	(361,179)
GNI Healthcare	4,429	2,200.00	-	-
Carrying amount	**173,747**	**171,080**	**169,318**	**168,880**

(i) The intangible assets of the Group is made up of purchased computer software.

	Group		Company	
14 Right of Use (ROU) Asset	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Cost:				
At January	81,722	91,937	81,722	91,937
Reclassification on adoption of IFRS 16	-	-	-	-
Additions	-	-	-	-
At 31 December	81,722	91,937	81,722	91,937
Amortisation:				
At January	-	-	-	-
Amortisation charge	(10,215)	(10,215)	(10,215)	(10,215)
At 31 December	(10,215)	(10,215)	(10,215)	(10,215)
Carrying amount	**71,507**	**81,722**	**71,507**	**81,722**

Notes to the financial statements

15 Group

2021 (In thousands of Naira)	LAND	BUILDINGS	FIXTURE & FITTINGS	COMPUTER EQUIPMENT	MOTOR VEHICLES	GENERATOR SETS	FURNITURE & EQUIPMENT	TOTAL
Cost / revalued amount								
At 1 January	520,000	546,645	50,586	144,953	567,100	126,881	125,749	2,081,915
Revaluation gains / (loss)	455,000	(13,100)	-	-	-	-	-	441,900
Additions	-	-	1,893	4,758	17,267	95	2,323	26,335
Disposals	-	-	-	(2,417)	-	-	-	(2,417)
At 31 December 2021	**975,000**	**533,545**	**52,479**	**147,295**	**584,367**	**126,976**	**128,072**	**2,547,734**
Accumulated depreciation								
At 1 January	-	118,645	37,661	131,752	427,839	108,621	112,656	937,174
Charge for the year	-	-	3,322	9,152	60,187	7,279	3,654	83,595
Disposals	-	-	-	(1,812)	-	-	-	(1,812)
At 31 December 2021	-	118,645	40,983	139,092	488,026	115,900	116,310	1,018,957
Net book value								
At 31 December 2021	**975,000**	**414,900**	**11,495**	**8,203**	**96,341**	**11,076**	**11,761**	**1,528,777**
At 31 December 2020	**520,000**	**428,000**	**19,402**	**13,201**	**139,261**	**18,260**	**6,615**	**1,144,739**

i. The Group had no capital commitments as at year end (31 December 2020: Nil)

ii. The Group's land and buildings were revalued by Ubosi Eleh & Co., estate surveyor and valued on 31 December 2021 using both Investment method and Comparative method of valuation to arrive at the open market value. A revaluation gain of N441million has been recognised on the land and building for the year ended 31 December 2021 in the other comprehensive income (OCI).

iii. An impairment review was conducted and no impairment charge as required.

iv. All properties are in the name of Group and have been appropriately perfected.

Company

2021 (In thousands of Naira)	LAND	BUILDINGS	FIXTURE & FITTINGS	COMPUTER EQUIPMENT	MOTOR VEHICLES	GENERATOR SETS	FURNITURE & EQUIPMENT	TOTAL
Cost / revalued amount								
At 1 January	450,000	376,867	43,147	132,883	538,861	126,881	125,749	1,794,389
Revaluation gains / (loss)	453,000	(28,100)	-	-	-	-	-	424,900
Additions	-	-	1,893	2,050	17,267	95	2,323	23,627
PPE Accum. impairment allowance	-							-
At 31 December	**903,000**	**348,767**	**45,040**	**134,933**	**556,128**	**126,976**	**128,072**	**2,242,916**
Accumulated depreciation								
At 1 January	-	98,867	31,183	123,908	406,313	108,621	112,656	881,548
Charge for the year	-	-	2,742	6,279	55,954	7,279	3,654	75,909
Disposals	-	-	-	-	-	-		-
At 31 December 2021	**-**	**98,867**	**33,925**	**130,187**	**462,267**	**115,900**	**116,310**	**957,457**
Net book value								
At 31 December 2021	**903,000**	**249,900**	**11,114**	**4,746**	**93,861**	**11,076**	**11,761**	**1,285,460**
At 31 December 2020	**450,000**	**278,000**	**11,964**	**8,975**	**132,548**	**18,260**	**13,093**	**912,842**

i. The Company had no capital commitments as at year end (31 December 2020: Nil)

ii. The Company's land and buildings were revalued by Ubosi Eleh & Co., estate surveyor and valued on 31 December 2021 using both Investment method and Comparative method of valuation to arrive at the open market value. A revaluation gain of N424million has been recognised on the land and building for the year ended 31 December 2021 in other comprehensive income (OCI).

iii. An impairment review was conducted and no impairment was required.

iv. GNI House, Omo Osagie and Afolabi Aina Ikeja are the properties making up Land and Building Assets. All properties are in the name of company and appropriately perfected.

16 Statutory deposit

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2021, in compliance with the Insurance Act, CAP 117 LFN 2004. The amount is interest bearing and it comprises:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
General	300,000	300,000	300,000	300,000
Life	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**
Current	-	-	-	-
Non-current	500,000	500,000	500,000	500,000
	500,000	**500,000**	**500,000**	**500,000**

17 Insurance contract liabilities

In thousands of Naira				
Notified claims (note (a) below)	1,071,578	1,064,038	1,017,921	1,018,826
Claims incurred but not reported (note (a) below)	694,553	948,657	674,589	930,706
Outstanding claims	1,766,131	2,012,695	1,692,510	1,949,532
Unearned premiums (note (b) below)	610,264	578,805	567,001	510,222
Life insurance contract liabilities (note (d) below)	9,636,797	6,043,229	9,636,797	6,043,229
	12,013,192	**8,634,729**	**11,896,308**	**8,502,983**
Current	3,378,462	4,169,571	3,393,325	4,145,582
Non-current	8,634,729	4,465,158	8,502,983	4,357,401
	12,013,192	**8,634,729**	**11,896,308**	**8,502,983**

(i) The gross liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the income statement for the year. The Company's net liability for insurance contracts was tested for adequacy by EY Nigeria, a firm of certified actuaries with FRC number FRC/2012/00000000339. The valuation report was signed by O.O Okpaise with FRC number FRC/2012/NAS/00000000738.

(a) Claims reported and IBNR:

31-Dec-21

The claims reported are analysed below:

In thousands of Naira	Reported outstanding claims 31-Dec-21	Provision for IBNR 31-Dec-21	Total claims 31-Dec-21
General			
General accidents	48,345	28,431	76,776
Fire	20,300	65,955	86,255
Marine	22,196	21,299	43,495
Motor	29,635	15,990	45,625
Oil and gas	8,095	5,891	13,986
Employers' liability	3,476	1,025	4,501
	132,047	138,591	270,638
Life			
Group life	864,951	381,295	1,246,246
Individual life	20,923	154,703	175,626
	885,874	535,998	1,421,872
Sub Total	**1,017,921**	**674,589**	**1,692,510**
Healthcare	53,657	19,964	73,621
	1,071,578	**694,553**	**1,766,131**

31-Dec-20
The claims reported are analysed below:

In thousands of Naira	Reported outstanding claims 31-Dec-20	Provision for IBNR 31-Dec-20	Total claims 31-Dec-20
General			
General accidents	36,807	37,374	74,181
Fire	27,941	25,965	53,906
Marine	31,584	15,010	46,594
Motor	2,023	24,121	26,144
Oil and gas	13,093	7,760	20,853
Employers' liability	(1,697)	2,699	1,002
	109,750	112,929	222,679
Life			
Group life	885,039	645,877	1,530,916
Individual life	24,037	171,900	195,937
	909,076	817,777	1,726,853
Sub Total	**1,018,826**	**930,706**	**1,949,532**
Healthcare	45,212	17,951	63,163
	1,064,038	**948,657**	**2,012,695**

General *In thousands of Naira*	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross provision for outstanding claims	132,047	109,750	132,047	109,750
Provision for IBNR	138,591	112,929	138,591	112,929
Provision for outstanding claims - closing	270,638	222,679	270,638	222,679
Provision for outstanding claims - opening	(222,679)	(328,336)	(222,679)	(328,336)
Decrease/(increase) in provision for outstanding claims	47,959	(105,657)	47,959	(105,657)

Life *In thousands of Naira*	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross provision for outstanding claims	885,874	909,076	885,874	909,076
Provision for IBNR	535,998	817,777	535,998	817,777
Provision for outstanding claims - closing	1,421,872	1,726,853	1,421,872	1,726,853
Provision for outstanding claims - opening	(1,726,853)	(1,726,198)	(1,726,853)	(1,726,198)
Increase in provision for outstanding claims	(304,981)	655	(304,981)	655
Healthcare				
Gross provision for outstanding claims	53,657	45,212	-	-
Provision for IBNR	19,964	17,951	-	-
Provision for outstanding claims - closing	73,621	63,163		
Provision for outstanding claims - opening	(63,163)	(60,119)	-	-
Decrease in provision for outstanding claims	10,458	3,045		
Decrease/(increase) in provision for outstanding claims	**(246,565)**	**(101,958)**	**(257,022)**	**(105,002)**

S/N	NUMBER OF SCHEMES	0 - 90	91 - 180	181 - 270	271 - 365	366 AND ABOVE	GRAND TOTAL
1	Nil	36,473,970					**36,473,970**
2	305		108,022,353				**108,022,353**
3	579			69,323,235			**69,323,235**
4	211				133,985,371		**133,985,371**
5	324					1,344,704,749	**1,344,704,749**
							1,692,509,678

GENERAL BUSINESS

S/N	NUMBER OF SCHEMES	0 - 90	91 - 180	181 - 270	271 - 365	366 AND ABOVE	GRAND TOTAL
1	Nil	-					**-**
2	4		86,100,528				**86,100,528**
3	16			17,497,740			**17,497,740**
4	59				28,305,276		**28,305,276**
5	317					138,734,134	**138,734,134**
							270,637,678

LIFE BUSINESS

S/N	NUMBER OF SCHEMES	0 - 90	91 - 180	181 - 270	271 - 365	366 AND ABOVE	GRAND TOTAL
1	9	36,473,970					**36,473,970**
2	4		21,921,824				**21,921,824**
3	11			51,825,495			**51,825,495**
4	10				105,680,095		**105,680,095**
5	268					1,205,970,615	**1,205,970,615**
							1,421,872,000

ANALYSIS OF OUTSTANDING CLAIMS BY DESCRIPTION

S/N	DESCRIPTION OF OUTSTANDING CLAIMS	CLAIM AMOUNT	NUMBER OF CLAIMS
	Claims awaiting documentation	733,390,344	667
	Claims awaiting adjusters report	46,960,625	75
	Claims awaiting discharge voucher	56,646,635	104
	Awaiting payment	180,923,000	103
	Incured but not reported claims	674,589,091	470
		1,692,509,695	**1,419**

(b) (i Unearned premium comprises:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
General				
Fire	99,837	81,293	99,837	81,293
General accidents	80,427	48,189	80,427	48,189
Motor	116,280	91,471	116,280	91,471
Marine	32,089	25,705	32,089	25,705
Employer's liability	-	8,484	-	8,484
Bond	194	1,244	194	1,244
Oil and Gas	33,023	11,144	33,023	11,144
	361,851	267,530	361,851	267,530
Life				
Group life fund	205,150	242,692	205,150	242,692
Individual life fund	-	-	-	-
	205,150	242,692	205,150	242,692
Healthcare	43,263	68,583	-	-
	43,263	68,583	-	-
	610,264	578,805	567,001	510,222

(ii) Unearned premium reserve UPR during the year was as follows:

In thousands of Naira	General Business	Group Life	Healthcare	Combined
Unearned Premium	312,957	204,262	43,263	560,482
Additional UPR	48,894	888	-	49,782
At 31 December	361,851	205,150	43,263	610,264

(c) The movement in unearned premim reserve UPR during the year was as follows:

2021

In thousands of Naira	General	Group Life	Health Care	Combined
At 1 January	267,530	242,692	68,583	578,805
Increase/(decrease) provision in unearned premium reserve	94,321	(37,542)	(25,320)	31,459
At 31 December	361,851	205,150	43,263	610,264

2020

In thousands of Naira	General	Group Life	Health Care	Combined
At 1 January	296,626	1,410,039	47,638	1,754,303
Increase/(decrease) provision in unearned premium reserve	(29,097)	(1,167,347)	20,945	(1,171,915)
At 31 December	267,530	242,692	68,583	578,805

(d) ***Life fund***	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Individual life fund	141,856	155,928	141,856	155,928
Annuity	9,494,941	5,856,844	9,494,941	5,887,301
	9,636,797	6,043,229	9,636,797	6,043,229

(d)(i) The movement in life fund during the year was as follows:

2021

In thousands of Naira	Individual Life	Group Life	Annuity	Total
At 1 January	155,928	-	5,887,301	6,043,229
Payments made to policy holders in the year	(269,457)	-	(1,149,333)	(1,418,789)
Contributions during the year	10,587	-	6,074,441	6,085,028
Increase/(decrease) provision in life fund	244,798	-	(1,317,468)	(1,072,670)
At 31 December	141,856	-	9,494,941	9,636,797

2020

In thousands of Naira	Individual Life	Group Life	Annuity	Total
At 1 January	94,017	-	502,184	596,201
Payments made to policy holders in the year	(262,018)	-	(237,263)	(499,281)
Contributions during the year	259,401	-	4,114,593	4,373,994
Increase provision in life fund	64,528	-	1,507,786	1,572,315
At 31 December	155,928	-	5,887,301	6,043,229

18 Investment contract liabilities

(a) At amortised cost

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Deposit administration	470,564	433,625	470,564	433,625
Guaranteed interest (note (c) below)	8,654	16,910	8,654	16,910
	479,218	450,535	479,218	450,535
Individual deposit administration	405,619	376,936	405,619	376,936
Group deposit administration	73,599	73,599	73,599	73,599
	479,218	450,535	479,218	450,535
Current	-	-		
Non-current	479,218	450,535	479,218	450,535
	479,218	450,535	479,218	450,535

(b) The movement in investment contract liabilities during the year was as follows:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	450,535	452,023	450,535	452,023
Additions during the year	269,813	270,842	269,813	270,842
Interest capitalised	8,654	16,910	8,654	16,910
Impact of actuarial valuation	-	(15,048)	-	(15,048)
Withdrawals	(249,784)	(274,192)	(249,784)	(274,192)
At 31 December	479,218	450,535	479,218	450,535

(c) Guranteed interest on investment contracts represents interest which accrues to the account of investment contract holders. All these contracts are designated as financial liabilities and measured at amortised cost.

(d) **Investment Contract Revenue Account**

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Impact of actuariation valuation	-	(15,048)	-	(15,048)
Interest income	47,410	31,714	47,410	31,714
Interest expense capitalised	(8,654)	(16,910)	(8,654)	(16,910)
At 31 December	38,756	(244)	38,756	(244)

19 Trade payable

Trade payable comprises liabilities due to agents, brokers and re-insurance companies

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Due to reinsurers	9,781	9,781	9,781	9,781

All trade payables are deemed as current

20 Retirement benefit obligation

This represents the balance of the Company's accruals for gratuity to be paid to its employees on exit from the Company based on its gratuity scheme which was discontinued in 2010. The gratuity scheme is solely funded by the Company. No valuation was carried out on this balance as the scheme was discontinued in 2010.

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	1,722	1,722	1,722	1,722
Payment during the year	-	-	-	-
At 31 December	**1,722**	**1,722**	**1,722**	**1,722**

21 Lease liability

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	31,195	27,133	31,195	27,133
Interest expense on lease liability	4,679	4,062	4,679	4,062
At 31 December	**35,874**	**31,195**	**35,874**	**31,195**

22 Provisions and other payables

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Accrued Supervisory fees	83,821	114,044	83,821	114,044
Deferred commission Income (note (e) below)	32,739	22,021	32,739	22,021
Intercompany Payable	29,499	29,499	29,499	29,499
Payable to WEMA Bank Group	4,508	4,508	4,508	4,508
Pension payables	136	-	-	-
Withholding tax payable	380	322	380	322
Other payables (note (a) below)	266,822	90,418	255,908	78,681
Provision for pending litigations (note (d) below)	48,841	36,519	43,191	33,319
Claims fund (note (b) below)	152,669	152,669	152,083	152,083
Sundry creditors (note (a) below)	77,477	257,250	75,655	255,196
Other creditors (note (c) below)	444,097	445,364	444,097	445,366
Rent received in advance	9,165	10,192	9,165	10,192
	1,150,157	**1,162,806**	**1,131,047**	**1,145,230**
Current	794,741	649,825	783,826	638,090
Non-current	355,416	512,981	347,220	507,140
	1,150,157	**1,162,806**	**1,131,047**	**1,145,230**

(a) Amount above represents payables such as quaterly year end expenses yet to be paid for in the period under review. The expenses have been accrued for in line with expense recognition policy.

(b) Claims fund represents claims recovered from co-insurers on the fire affected property of the company at 47/49 Martins Street, Lagos Island, Lagos.

(c) This represents unclaimed cheques issued on various schemes as at the year end.

(d) The amount represents provision for pending litigations made by the Company's customers as at year end. The Company has made a provision based on customers' litigations that the Company is aware it can not avert. The estimate has been advised by the Company's Solicitors or as declared in judgement by the Court. The realization timing of the above provisions cannot be reliably estimated as at year end, accordingly, they are not discounted for time value of money.

(e) **Deferred Reinsurance commission**

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	**22,021**	**17,307.41**	**22,021**	17,307
Additions during the year	116,540	126,464	116,540	126,464
Amortised during the year	(105,823)	(121,750)	(105,823)	(121,750)
	32,739	**22,021**	**32,739**	**22,021**

23 Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Assets:				
Property, plant and equipment	-	-	-	-
Deferred tax assets	-	-	-	-
Liabilities:				
Investment properties	492,935	304,825	492,935	291,182
Property, plant and equipment	133,142	14,015	127,470	13,026
Deferred tax liabilities	626,077	318,840	620,405	304,208
Net Deferred tax liabilities/(assets)	**626,077**	**318,840**	**620,405**	**304,208**

Group

The movement in temporary differences recognised during the year ended 31 December 2021 is as follows:

In thousands of Naira	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	At 31 December
Property, plant and equipment	14,015	(13,442)	132,570	133,142
Investment properties	304,825	188,110	-	492,935
	318,840	174,667	132,570	626,077

Company

The movement in temporary differences recognised during the year ended 31 December 2021 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	13,026	(13,026)	127,470	127,470
Investment properties	291,182	201,752	-	492,935
	251,162	188,726	127,470	620,405

Group

The movement in temporary differences recognised during the year ended 31 December 2020 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	11,990	(11,990)	14,014	14,015
Investment properties	242,678	62,147	-	304,825
	254,668	50,158	14,014	318,840

Company

The movement in temporary differences recognised during the year ended 31 December 2020 is as follows:

In thousands of Naira	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
Property, plant and equipment	5,100	(5,100)	13,026	13,026
Investment properties	246,062	45,119	-	291,182
	251,162	40,019	13,026	304,208

Unrecognized deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has not recognised some deferred tax assets as the reoverability assessment carried reviewed that it is probable that taxable profit may not be available in the near future against which the Group can utilise benefits therefrom.

Unrecognised deferred tax asset for the Group was N2.479billion (2020: N895.3million) and for the Company N2.479billion (2020: N887.11million). The deferred tax assets relates to unutilized capital allowances and unrelieved tax losses. Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group and Company can use the benefits therefrom.

24 Taxation

(a) Current income tax liabilities

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

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	139,654	197,092	133,408	189,821
Payments during the year	(105,941)	(61,480)	(103,621)	(59,964)
Current year tax expense (note (b) below)	16,375	-	15,522	-
Minimium Tax (note (b) below)	5,399	4,042	4,719	3,551
At 31 December	**55,486**	**139,654**	**50,027**	**133,408**
	55,486	**139,654**	**50,027**	**133,408**

(b) Tax expense for the year comprises;

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Minimum tax	5,399	4,042	4,719	3,551
Corporate income tax charge	-	-	-	-
Tertiary Education tax	669	-	-	-
Information Technology levy	15,629	-	15,446	-
Police Trust Fund	77	-	76	-
Current income tax	16,375	-	15,522	-
Deferred tax charge	188,728	40,510	188,728	40,019
Income tax expense	**205,102**	**40,510**	**204,250**	**40,019**
Total tax charge for the year	**210,501**	**44,552**	**208,968**	**43,570**

i **Effective tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Group

In thousands of Naira

	31-Dec-21		31-Dec-20	
Profit before tax	1,279,814	100%	(728,889)	100%
Tax using domestic tax rate	383,944	30%	(218,667)	30%
Non deductible expenses	84,795	7%	(326,582)	45%
Non taxable income	(370,506)	-29%	314,458	-43%
Current year losses for which no deferred tax asset is recognised	90,495	7%	271,301	-37%
Police Trust Fund	77	0%	-	0%
Tertiary Education tax	669	0%	-	0%
Information technology levy	15,629	1%	-	0%
	205,102	16%	40,510	-6%

ii **Effective tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Company

In thousands of Naira	31-Dec-21	%	31-Dec-20	%
Profit/(loss) before tax	1,278,136		(674,717)	
Tax using domestic tax rate	383,441	30%	(202,415)	30%
Non deductible expenses	82,001	6%	(323,475)	48%
Non taxable income	(370,273)	-29%	314,458	-47%
Current year losses for which no deferred tax asset is recognised	93,560	7%	247,900	-37%
Police trust fund tax	76	0%	-	0%
Tertiary education tax	-	0%	-	0%
Information technology levy	15,446	1%	-	0%
	204,250	-15%	40,019	-36%

25 Share Capital

Share capital comprises:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
(a) Authorized:				
Ordinary shares of 50k each:				
General business 7,000,000,000 units	3,500,000	3,500,000	3,500,000	3,500,000
Life business 4,000,000,000 units	2,000,000	2,000,000	2,000,000	2,000,000
Composite business 11,000,000 units	5,500,000	5,500,000	5,500,000	5,500,000
Issued and fully paid:				
Ordinary shares of 50k each:				
General business 2,585,984,380 units	1,292,982	1,292,982	1,292,982	1,292,982
Life business 1,241,500,000 units	620,760	620,760	620,760	620,760
Composite business 3,827,484,380 units	**1,913,742**	**1,913,742**	**1,913,742**	**1,913,742**

26 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

27 Contingency reserve

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	1,244,966	1,045,406	1,244,966	1,045,406
Transfer from retained earnings	170,290	199,560	170,290	199,560
At 31 December	**1,415,256**	**1,244,966**	**1,415,256**	**1,244,966**

In compliance with Section 21 (1) of Insurance Act CAP I17 LFN 2004, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

28 Retained losses

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	(2,352,146)	(1,386,852)	(2,246,456)	(1,328,602)
Profit / (loss) for the year	1,066,444	(765,734)	1,069,168	(718,287)
Transfer to contigency reserve (see note 27 above)	(170,290)	(199,560)	(170,290)	(199,560)
At 31 December	**(1,455,992)**	**(2,352,146)**	**(1,347,586)**	**(2,246,456)**

29 Fair value reserve

Fair value reserve represents gain on unquoted equites

Fair value reserve comprises *In thousands of Naira*	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	372,405	231,026	372,405	231,026
Fair value gain	8,055	141,379	8,055	141,379
At 31 December	**380,461**	**372,405**	**380,461**	372,405

30 Asset revaluation reserve comprises

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
At 1 January	689,461	656,761	618,365	587,970
Revaluation gain	441,900	46,715	424,900	43,421
Tax on revaluation of property	(130,237)	(11,619)	(127,470)	(13,026)
Non-controlling interest	(2,905)	(2,395)	-	-
At 31 December	**998,219**	**689,461**	**915,793**	**618,365**

31 Non-controlling interest (NCI) in Subsidiary

The following summarises the information relating to the group subsidiary that has material NCI

(a)

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
NCI percentage	**17.09%**	**17.09%**
	N'000	**N'000**
Total Asset	471,256	451,326
Total Liabilities	(180,225)	(188,411)
Net Assets	291,031	262,915
Carrying amount of NCI	**49,737**	**44,932**
Revenue	262,670	191,329
Profit	16,788	(45,095)
Profit allocated to NCI	**2,869**	**(7,707)**

Summary of Subsidiary Cashflow for the period

(b)

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Cash generated from operations	3,077,207	3,035,264
Cash from Investing activities	(2,262,900)	728,708
Cash generated from financing activities	-	(50,000)
Net increase in cash and cash equivalent	**814,307**	**3,713,972**
Effect of exchange rate fluctuation on cash held	7,823	25,634
Cash and cash equivalents at beginning of year	6,342,658	2,603,052
Cash and cash equivalents at end of year	7,164,788	6,342,658

32 Gross premium written

Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period.

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
General business				
Fire	266,831	221,187	266,831	221,187
General accident	229,733	243,578	229,733	243,578
Employers' liability	52	33,716	52	33,716
Engineering	37,332	50,082	37,332	50,082
Marine	141,856	215,176	141,856	215,176
Bond	305	3,527	305	3,527
Oil and gas	131,163	69,013	131,163	69,013
Motor	250,971	354,993	250,971	354,993
	1,058,243	1,191,272	1,058,243	1,191,272
Life business				
Individual Life	280,399	270,842	280,399	270,842
Group life	955,524	1,587,368	955,524	1,587,368
Annuity	6,074,441	4,114,593	6,074,441	4,114,593
	7,310,364	5,972,803	7,310,364	5,972,803
GNI Healthcare	237,350	215,857	-	-
Group premium written	**8,605,957**	**7,379,932**	**8,368,607**	**7,164,075**

32a(i) Net insurance premium revenue

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Short-term insurance contracts:				
– Gross premium	8,605,957	7,379,932	8,368,607	7,164,075
Changes in unearned premium	(31,459)	1,171,915	(56,779)	1,196,444
Premium revenue arising from insurance contracts issued	8,574,498	3,104,820	8,311,828	2,913,491
Short-term reinsurance contract:				
– Reinsurance cost	(550,884)	(521,915)	(550,884)	(521,915)
Net premium revenue ceded to reinsurers on insurance contracts issued	(550,884)	(521,915)	(550,884)	(521,915)
Net insurance premium revenue	**8,023,614**	**2,582,905**	**7,760,944**	**2,391,576**

32a(ii) Movement in reinsurance expenses during the year was as follows:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance paid	(522,302)	(738,629)	(522,302)	(738,629)
Increase/Decrease in Prepaid Reinsurance	(28,582)	216,714	(28,582)	216,714
At 31 December	(550,884)	(521,915)	(550,884)	(521,915)

32b Cash premium received

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross trade receivable at 1 January	105,554	103,210	6,989	12,880
Gross trade receivable received	-	(103,210)	-	(12,880)
Gross premium written during the year	8,605,957	7,379,932	8,368,607	7,164,075
Gross trade receivable at 31 December	(85,544)	(105,554)	(1,154)	(6,989)
Cash premium received	8,625,967	7,274,378	8,374,442	7,157,086

33 Commission income

In thousands of Naira				
– Insurance contracts	105,823	121,750	105,823	121,750

34 Net claims and benefits expenses

Insurance claims and loss adjustment expenses

In thousands of Naira				
Gross benefits & claims paid	2,735,569	1,639,175	2,596,342	1,505,282
Gross changes in outstanding claims	(246,565)	101,958	(257,022)	105,002
	2,489,004	1,741,133	2,339,320	1,610,284
Recoverable from re-insurance	(182,907)	(121,888)	(182,907)	(121,888)
Net claims and benefits expenses	2,306,097	1,619,245	2,156,413	1,488,396

(i) Gross Change in outstanding claims	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Movement in outstanding claims	(9,350)	205,532	(905)	207,685
Movement in IBNR	(258,130)	(103,574)	(256,117)	(102,683)
(ii) Recoverable from re-insurance				
Reinsurance recovery	(163,032)	103,276	(163,032)	103,276
Movement in reinsurance share of Outstanding claims & IBNR	(19,875)	(225,164)	(19,875)	(225,164)
As at 31 December	(182,907)	(121,888)	(182,907)	(121,888)
(iii) Changes in life funds				
Changes in life funds (see note 17d(i))	14,072	(61,911)	14,072	(61,911)
Changes in Annuity fund (see note 17d(i))	(3,607,640)	(5,385,117)	(3,607,640)	(5,385,117)
As at 31 December	(3,593,568)	(5,447,028)	(3,593,568)	(5,447,028)

35 Business acquisition expenses

In thousands of Naira				
General Business	170,164	208,197	170,164	208,197
Life business	280,527	407,755	280,527	407,755
Health Insurance	14,814	13,515	-	-
	465,505	629,467	450,691	615,952

36 Maintenance cost

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Costs incurred for the maintenance of general insurance contracts	22,463	116,912	22,463	116,912
Costs incurred for the maintenance of life insurance contracts	68,431	59,738	68,431	59,738
	90,895	176,649	90,895	176,649

37 Investment income

In thousands of Naira				
Dividend income	14,851	23,141	14,851	23,141
Interest income	621,501	252,555	615,642	249,938
Rental income	33,449	33,242	30,542	30,942
	669,801	308,939	661,035	304,022

(a) Interest received

In thousands of Naira				
Interest income on investment	621,501	252,555	615,642	249,938
Interest income on investment contracts	47,410	31,714	47,410	31,714
Interest receivable	(18,922)	(16,906)	(18,922)	(16,906)
Interest received during the year	649,988	267,363	644,129	264,746

(b) Rent received

In thousands of Naira				
Opening balance of rent receivable at 1 January	140,964	155,828	140,614	155,828
Rental income for the year	33,449	33,242	30,542	30,942
Rent received in advance	9,165	10,192	9,165	10,192
Balance of rent receivable at 31 December	(143,325)	(137,626)	146,663	140,614
Rent received during the year	40,253	61,636	326,984	337,576

38 Net fair value gains/(losses) on assets measured at fair value through profit or loss

In thousands of Naira				
Net fair value gains/(losses) on FVTPL financial assets	(15,721)	18,031	(15,721)	18,031
Fair value gains on investment properties	629,092	212,497	629,092	212,497
	613,371	230,528	613,371	230,528

39 Other operating income

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Profit on disposal of assets (see note 39(i) below)	594	11,647	-	11,647
Foreign exchange gains (see note 39(ii) below)	7,823	35,209	7,823	35,209
Other income (see note 39(iii) below)	18,297	114,881	18,297	114,881
	26,714	161,737	26,120	161,737

39(i) Profit on disposal of asset

	Group 31-Dec-21	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Cost of assets	(2,417)	(1,953)	-	(1,953)
Accummulated depreciation	1,812	1,205	-	1,205
Proceeds	1,198	12,395	-	12,395
Profit on disposal	594	11,647	-	11,647

39(ii) Exchange gains of N7.8million represents net foreign exchange gains on the Company's investments and bank balances during the year. The National Autonomous Foreign Exchange (NAFEX) rates for United States Dollar and Pounds Sterling to Nigerian Naira as at year end were N415/$1 and N577/£1 respectively.

39(iii) Other income above includes N15m credits agency loan balances on paid matured claims.

40 Management expenses

Management expenses comprise of:

(a) Employee benefit expense

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Wages and salaries	423,145	442,216	397,493	408,908
Pension costs – defined contribution plans	24,701	21,326	23,686	19,839
Other benefits	145,202	134,984	134,529	123,781
	593,048	598,526	555,708	552,528

(b) Other operating expenses

In thousands of Naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Depreciation (note (i) below)	81,783	85,570	75,909	73,972
Amortisation of intangible assets	85,523	81,555	81,987	79,355
Amortisation of ROU assets	10,215	10,215	10,215	10,215
Auditor's remuneration (note (iii) below)	23,605	11,747	20,155	8,747
Bank charges	21,372	19,705	21,372	19,705
Directors' fees and expenses	15,120	15,120	9,820	10,560
Repairs & maintenance expense	42,785	28,480	41,465	27,502
Travel and representation	57,976	39,303	57,976	39,303
Advertising cost	33,425	18,580	33,425	18,580
Occupancy expenses	23,609	35,242	22,909	34,042
Motor vehicle running expenses	46,023	35,485	46,023	35,485
Fees and assessment	79,873	24,166	75,754	20,761
Office supply and stationery	12,934	30,337	12,934	30,337
Communication and postages	36,837	56,024	36,837	56,024
Legal & other charges	231,303	288,350	227,943	286,735
Professional Fees	105,000	105,000	105,000	105,000
Insurance expense	17,409	47,258	16,930	30,202
Other overhead & administrative expenses (see (ii))	129,348	76,790	97,861	62,347
	1,054,140	1,008,926	994,515	948,872
Management expenses	**1,647,188**	**1,607,452**	**1,550,223**	**1,501,400**

(i) Included in depreciation is the reversal of accumulated depreciation of asset on disposal.

(ii) Other overhead and adminstrative expenses represents general expenses incurred by the Company during the period. This includes office expenses, stationary expenses etc.

(iii) Auditor’s remuneration represents fees for the Group and Company for the year ended 31 December 2021. The Company also paid the auditors professional fees for non-audit service. This service, in the Company’s opinion, did not impair the independence and objectivity of the external auditor.

Non-audit service provided during the year are stated below.

Name of firm	**Services Rendered**	**Amount**
KPMG Professional Services	Tax Computation	2,000,000

(c) Finance Cost

In thousands of Naira

Interest Expense	4,679	4,062	4,679	4,062
	4,679	**4,062**	**4,679**	**4,062**

(d) **Cashflow from other operating activities** - 0

In thousands of Naira

Other operating expenses	(1,058,819)	(1,012,988)	(999,194)	(952,934)
Adjustment for items not involving movement of cash:				
Changes in unearned premium and life fund	953,282	726,917	652,845	276,246
Interest expense capitalised on investment contract liability	8,654	16,910	8,654	16,910
Depreciation and amortization expense	177,521	177,340	168,111	163,542
Impairment loss	90,333	97,629	81,444	97,629
Sundry loss /(income)	(18,297)	(114,881)	(18,297)	(114,881)
Fair value (gains)/losses on Investment properties and financial assets	(613,371)	(230,528)	(613,371)	(230,528)
Changes in insurance contract liabilities- IBNR	(258,130)	103,574	(256,117)	102,683
(Decrease)/increase in other receivable	(225,834)	241,857	(204,451)	340,400
Changes in outstanding claims	9,350	(205,532)	905	(207,685)
Changes in reinsurance share of insurance liabilities- IBNR and Outstanding claims	(19,875)	(225,164)	(19,875)	(225,164)
(Decrease)/increase in other payables	(12,649)	241,919	(14,183)	195,949
	(967,837)	(468,838)	(1,213,529)	(823,723)

(e) **Net cash on deposit Administration contracts**

In thousands of Naira

Receipt on investment contract liabilities	269,813	270,842	269,813	270,842
Withdrawals and maturities	(249,784)	(274,192)	(249,784)	(274,192)
	20,029	(3,350)	20,029	(3,350)

41 **Impairment losses**

In thousands of Naira

Allowance charge to impairment - Life Business	(40,746)	(31,007)	(40,746)	(31,007)
Allowance charge to impairment - General Business	(49,586)	(66,623)	(40,697)	(66,623)
Net impairment losses	(90,333)	(97,629)	(81,444)	(97,629)

Impairment reversal / (charge) on cash and cash equivalents	28,866	(58,660)	28,866	(58,660)
Impairment charge on financial assets	(76,015)	(1,725)	(76,015)	(1,725)
Impairmrnt on trade recievables expected credit loss	-	(1,900)	-	-
Impairment charge on reinsurance asset	(47,235)	-	(47,235)	-
Write back of impairment of investment in subsidiary	-	-	8,889	-
Writeback /(charge) of Impairment on other receivables	4,050	(21,420)	4,050	(21,420)
	(90,333)	**(97,629)**	**(81,444)**	**(97,629)**

42 **Losses per share**

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

	Group	**Group**	**Company**	**Company**
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Losses attributable to equity holders (N'000)	1,066,444	(765,734)	1,069,168	(718,287)
Weighted average number of ordinary shares in issue ('000)	3,827,485	3,827,485	3,827,485	3,827,485
Basic loss per share (Kobo per share)	28	(20)	28	(19)

43 Employees, including executive directors earning more than N500,000 per annum received salaries in the following range:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	Number	Number	Number	Number
N500,001 - N1,000,000	3	3	3	3
N1,000,001 - N1,500,000	17	17	14	14
N1,500,001 - N2,000,000	30	30	27	27
N2,000,001 - N2,500,000	8	8	7	7
N2,500,001 - N3,000,000	3	3	2	2
N3,000,001 - N3,500,000	10	10	9	9
N3,500,001 - N4,000,000	6	6	6	6
N4,000,001 - N4,500,000	7	7	7	7
N4,500,001 - N5,000,000	2	2	1	1
N5,000,001 - N5,500,000	1	1	1	1
N5,500,001 - N6,000,000	5	5	5	5
N6,000,001 and above	18	18	16	16
	110	**110**	**98**	**98**

(a) The average number of full time employees employed by the Group during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	Number	Number	Number	Number
Management staff	18	18	16	16
Senior staff	76	76	68	68
Junior staff	16	16	14	14
	110	**110**	**98**	**98**

(b) **Directors' remuneration:**

i Remuneration paid to the directors of the Group (excluding pension contribution and certain benefits) was as follows:

In thousands of Naira

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Directors fees	17,061	17,061	15,747	15,747
Salaries	52,000	52,000	52,000	52,000
	69,061	**69,061**	**67,747**	**67,747**

ii The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

In thousands of Naira

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Chairman	4,579	4,579	4,579	4,579
Highest paid director	33,000	30,000	33,000	30,000

Other directors whose duties were wholly or mainly performed in Nigeria, received emoluments (excluding pension and other benefits) in the following ranges:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	Number	Number	Number	Number
N1,400,001 - N1,500,000	-	-	-	-
N1,700,001 - N1,800,000	-	-	-	-
Above N1,800,000	3	3	3	3
	3	3	3	3

44 Actuarial valuation

(a) The latest available actuarial valuation of the life business was performed as at 31 December 2021. The book value of the life funds as at that date was nil over its net actuarial liabilities. The valuation of the Company's life business funds as at 31 December 2021 was carried out by EY Nigeria Limited (consultants and actuaries). The valuation was done on the following principles:

(b) For all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted. Reserves were calculated via a monthly cash flow projection approach, taking into account future office premiums, expenses and benefit payments. Future cash flows were discounted back to the valuation date at the valuation rate of interest which is 12.5%.

(c) The reserve for individual deposit administration policies has been taken as the amount standing to the credit of the policyholder at the valuation.

(d) An unearned premium reserve was included for Group Life policies. An allowance was made for Incurred But Not Reported claims to take care of delay in reporting claims.

(e) For individual life policies, the valuation age has been taken as the Age Last Birthday at the valuation date. The outstanding premium paying term has been calculated as the year of maturity minus expired duration. In all cases, an allowance has been made for premiums due between the valuation date and the next policy anniversary.

(f) The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

(g) No specific adjustment has been made for immediate payment of claims.

(h) No specific adjustment has been made for expenses after premiums have ceased in the case of limited payment policies.

(i) The UK's Mortality of Assured Lives table (A6770) was used in the valuation.

45 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one party controls both. The definition includes parents, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

Detailed below are the transactions the Group entered into with its related parties during the year.

In thousands of Naira		**2021 31-Dec**	**2020 31-Dec**
Sales of insurance contracts by GNI Healthcare Limited:	***Relationship***		
Premium	Great Nigeria Insurance Plc	5,763	5,763
Premium	Key Management Personnel	-	-
Receivables (expected from the company in the normal course of business)			
GNI Healthcare Limited	Subsidiary	29,499	29,499
Payables (incurred on behalf of the company in the normal course of business)			
GNI Healthcare Limited	Subsidiary	25,621	25,621
Key management personnel compensation for the year comprises:			
Short term employee benefit		1,722	1,722

46 Contravention of circulars, guidelines and regulations

The Group paid the following penalties during the year:

Nature of Contravention	**Penalty N'000**	**Regulatory body**	**Status**
Late submission of 2019 Audited Financials	1,205	NAICOM	Paid
Late submission of 2020 Audited Financials	1,060	NAICOM	Paid
Late submission of 2020 Audited Financials	1,075	SEC	Paid
Late submission of 2020 FORM 1A- Insurance supervisory levy	500	NAICOM	Paid
Late filling of 2020 minimum rate to NAICOM	250	NAICOM	Paid

47 Subsequent events

The Finance Act was signed into Law on 31 December, 2021 with effective date of 1 January, 2022. The signing into law of Finance bill on 31 December 2021 qualifies as an adjusting event as the bill has been in existence at the end of the finnancial year. In view of this development, the company has eviewed the provisions of the Act and have made appropriate adjustments to the financial statements.

Financial Reporting Council (FRC) of Nigeria has provided guidance to preparers of financial statements on specific issues such as events after the reporting period, going concern, effects on interim financial reporting, changes in expected credit losses for financial assets amongst others.

On the assessment of our lines of business, the company still records adequate premium income on our various products despite the government lockdown of the economy. There is no material impact on the variabilty of our premium generationas the company has further initiated other medium of payments such as USSD short codes and enhanced customer service networks. The process of production re-assessment and redesigning is a continous process as the impact of the pandemic unfolds.

48 Litigations and claims

There were 11 suits involving the company which were pending before the courts out of which 5 were instituted by the company and 6 were instituted against the company. The total claims against the company is N108m while the total claim by the company is N57m. The directors having sought professional legal counsel have made necessary provision for the ones that the Directors are of the opinion that may crystalize (See note 23d). No additional provisions is deemed necessary for the other legal claims.

Included in the cases above is a case involving the group, a bank and a customer. GNI had issued bond (guarantee) insurance policy worth N100 million to the customer for a contract financed through a loan facility from the bank in 2009. The customer had purportedly defaulted on the loan repayment and necessitated the bank to call in the bond guarantee from GNI. Due to disagreements between the group and the bank, a case was instituted by the bank at the Lagos State High Court against GNI. The judgement was delivered on 19 December 2020 and the sum of N150 million was awarded against the Group based on the tenure of the judgement. On 20 December 2019, the Group appealed the case at the Court of Appeal, Lagos on the grounds that the main contract with the customer had been varied as the facility was expended on another product other than the product stipulated in the contract document. The management of the Group sought legal opinion on the matter and, based on the solicitor's opinion, concluded that the Group had very good chances of success at the appeal court based on the facts of the case. In view of this, no provision has been made for the claim.

49 Financial Risk Management

(a) Introduction and Overview

This note presents information about the Group's exposure to different types of risks; the objectives, systems, policies and processes for identifying, measuring and managing risks; and the Group's management of capital. The Group's activities exposes it to a variety of risks, and those activities principally involve creation of financial assets and liabilities. Great Nigeria Insurance recognizes the role of responsible risk management practices in achieving her strategic vision of being one of the leading insurance companies in Nigeria. In light of this, the Group has a well established risk management framework and an experienced risk team. The Group's aim is therefore to achieve an appropriate balance between risk and return, and minimise potential adverse effects on the Group's financial performances. As part of the Group's investment strategy to reduce both insurance and financial risk, the Group matches its investments' duration with the expected duration of liabilities arising from insurance and investment contracts, by reference to the type of benefits payable to contract holders.

Risk management framework

The Group's risk management philosophy is premised on the belief that aggressive and yet guarded risk attitude will ensure sustainable growth in shareholders value and corporate reputation. Effective risk management is critical to any insurance Group for achieving financial soundness and stability. In view of this, aligning risk management to the Group's organizational structure and business strategy has become integral part of our business.

To this end, the Board and Management are committed to establishing and sustaining tested practices in risk management. Specifically, the Board has established a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies and practices. Also the Management recently established the Risk Management Unit, with responsibility to ensure that risk management processes are implemented in compliance with policies approved by the Board. The Risk Management Unit reports directly to Board's Risk Management committee. The Board of Directors determines the Group's goals in terms of risk by issuing a risk policy. The policy both defines acceptable levels of risk for day-to-day operations, as well as the willingness of the Group to incur risk, weighed against the expected rewards. The Group's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks inherent in its business activities. It is also intended to create a culture of risk awareness and personal responsibility throughout the Group.

The Group's risk management architecture is carefully crafted to balance corporate oversight with well-defined risk management functions which fall into one of three categories where risk must be managed: lines of business, governance and control and corporate audit. The Board of Directors and management of the Group are committed to constantly establishing, implementing and sustaining tested practices in risk management to match those of leading international insurance companies. We are convinced that the long-term sustainability of our Group depends critically on the proper governance and effective management of our business. As such, risk management occupies a significant position of relevance and importance in the Group.

The risk policy is detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market, liquidity, insurance, price and operational risks. The evolving nature of risk management practices and the dynamic character of the insurance industry necessitate regular review of the effectiveness of each enterprise risk management component. In light of this, the Group's ERM Framework is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in either or both of the following ways: via continuous self-evaluation and monitoring by the risk management and compliance functions in conjunction with internal audit; and through independent evaluation by external auditors, examiners and consultants.

The Group's management has primary responsibility for risk management and the review of the ERM Framework and to provide robust challenge based on quantitative and qualitative metrics. All amendments to the Group's ERM Framework require Board approval. The risk management division is responsible for the enforcement of the Group's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

(b) ***Risk Management Philosophy, Culture, Appetite and Objectives***

Risk Management Philosophy and Culture

Risk management is at the core of the operating structure of the Group. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

Risk management is integral to the Group's decision-making and management process. It is embedded in the role of all employees via the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Great Nigeria Insurance Plc considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how the Group considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Group's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

Risk Appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk Great Nigeria Insurance Plc is willing to accept in pursuit of its strategy, duly set and monitored by the executive committee and the Board, and integrated into our strategy, business, risk and capital plans. Risk appetite reflects the Group's capacity to sustain potential losses arising from a range of potential outcomes under different stress scenarios.

The Group defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. Our risk appetite can be expressed in terms of how much variability of return the Group is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. We measure and express risk appetite qualitatively and in terms of quantitative risk metrics. The quantitative metrics include earnings at risk (or earnings volatility) and, related to this, the chance of regulatory insolvency, chance of experiencing a loss and economic capital adequacy. These comprise our Group-level risk appetite metrics. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (eg credit, market and asset and liability management risks).

Risk Objectives

The broad risk management objectives of the Group are:

• To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
• To protect against unforeseen losses and ensure stability of earnings;
• To maximize earnings potential and opportunities;
• To maximize share price and stakeholder protection;
• To enhance credit ratings and depositor, analyst, investor and regulator perception; and
• To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions

Risk Control Process

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

Risk Categorization

Great Nigeria Insurance PLC Limited is exposed to an array of risks through its daily business activities and operations. The Group has identified and categorized its exposure to these broad risks as listed below:

(i) Credit risk
(ii) Insurance risk
(iii) Liquidity risk
(iv) Market risk
(v) Operational risk

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met. . For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure. For risk management purposes, credit risk arising on trading assets is managed independently; and information thereon is disclosed below.

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

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent to investment grade and above.

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

(i) The Group’s enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored, exposures and breaches are reported to the Group’s risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

(ii) Net exposure limits are set for each counterparty or Group of counterparties and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

(iii) The Group further restricts its credit risk exposure by entering into master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis. The Group's reinsurance treaty contracts involve netting arrangements.

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

(v) The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings and worthiness.

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

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

In thousands of naira	**Group 31-Dec-21**	**Group 31-Dec-20**	**Company 31-Dec-21**	**Company 31-Dec-20**
Financial Instruments	4,880,973	1,568,831.28	4,880,973	1,568,831
Other receivables	254,397	480,695.08	176,294	381,909
Reinsurance assets	265,355	256,648.77	265,355	256,649
Trade receivables	66,142	86,152.00	1,154	6,989
Cash and cash equivalents	7,249,123	6,376,274.02	7,123,621	6,272,625
	12,715,990	**8,768,601**	**12,447,397**	**8,487,003**

Outlined below is the Group's exposure to credit risk arising from trade receivables

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross Amount				
12- month ECL Past due but not impaired	66,142	86,152	1,154	6,989
ECL Credit Impaired	19,402	19,402	-	-
Total	85,544	105,554	1,154	6,989
Impairment				
ECL Credit Impaired	19,402	19,402	-	-
Total	19,402	19,402	-	-
Carrying Amount	**66,142**	**86,152**	**1,154**	**6,989**

Credit quality and credit rating of financial assets

The Company's financial assets measured at fair value through profit or loss are not assessed for impairment. The Company's financial assets assessed for impairment are debt securities at amortised cost, debt securities at FVOCI and trade and other receivables.

31 December 2021

GROUP *In thousands of Naira*	Gross amount	ECL impairment	Carrying
12-month ECL	12,340,564	(174,346)	12,166,218
Lifetime ECL not credit impaired	-	-	-
Lifetime ECL credit impaired	-	-	-
	4,198,012	(36,046)	4,161,966

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

31 December 2021 **GROUP** *In thousands of Naira*	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	7,290,290	4,525,072	-	440,812	84,390
Gross amount	7,290,290	4,525,072	-	440,812	84,390
Allowances for impairment:					
– 12-month ECL	(70,033)	-	-	(84,911)	(19,402)
Total allowance for impairment	(70,033)	-	-	(84,911)	(19,402)
Carrying amount	7,220,257	4,525,072	-	355,901	64,988

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

31 December 2021

COMPANY *In thousands of Naira*	Gross amount	ECL impairment	Carrying
12-month ECL	12,130,672	(309,888)	11,820,784
	12,130,672	(309,888)	11,820,784

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

31 December 2021 **COMPANY** *In thousands of Naira*	Cash and cash equivalents	Other financial assets *	Debt securities at FVOCI	Debt securities at amortised cost	Trade and other receivables
AAA to BBB-	7,164,788	4,525,072	-	440,812	-
Gross amount	7,164,788	4,525,072	-	440,812	-
Allowances for impairment:					
– 12-month ECL	(70,033)	-	-	(84,911)	(154,944)
Total allowance for impairment	(70,033)	-	-	(84,911)	(154,944)
Carrying amount	7,094,755	4,525,072	-	355,901	(154,944)

*Other financial assets include other financial assets not impaired. These are debt securities at FVTPL and equity securities.

Credit Definitions

Impaired trade receivables

Impaired trade receivables for which the Group determines that it is probable that it will be unable to collect the contractual payments according to the contractual terms of the agreement(s).

Past due but not impaired trade receivables

Trade receivables where contractual payments are past due (outstanding for more than 30 days) but the Group believes that impairment is not appropriate on the basis that the amounts owed have been received subsequently as at the Group's reporting date.

Neither past due or impaired

Trade receivables where contractual payments are not due and that the Group believes are not impaired. They have been outstanding for less than 30 days.

Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for Groups of homogeneous assets in respect of losses that have been incurred but have not been identified on receivables subject to individual assessment for impairment.

Impairment Model

Trade receivables, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The historical loss rate model has been used in estimating the impairment of its receivables.

Reinsurance:

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

Money market investments:

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis. The credit risk exposure associated with money market investments is low.

The Group's counterparty exposure as at 31 December 2021 is represented below:

Group portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	6,834,727,677	98%
Investment House	12,357,323	2%

The Company's counterparty exposure as at 31 December 2021 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	6,711,897,677	98%
Investment House	12,357,323	2%

The Group's counterparty exposure as at 31 December 2020 is represented below:

Group portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	5,918,985,677	98%
Investment House	12,357,323	2%

The Company's counterparty exposure as at 31 December 2020 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
Commercial Banks	5,819,498,677	98%
Investment House	12,357,323	2%

Other receivables

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

(d) Insurance risks

The major risk confronting the Group in the arrear of insurance contracts are that of actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and later development of long–term claims. Flowing from the foregoing, our main focus is to ensure that sufficient assets are available to cover these liabilities.

We have taken conscious efforts to mitigate our exposure to these inherent risks by diversifying across a large portfolio of insurance contracts and geographical areas. As part of risk management strategy, resourceful and efficient underwriting strategy guidelines and procedures are deployed and implemented. Besides, we have instituted mechanisms for structuring of coinsurance arrangements with friendly insurance Companies to ensure evenness of risks.

In addition there are well defined policies guidelines for ensuring adequate ceding out of risks to reinsurers as part of our risk mitigation programme. Businesses so ceded out to Reinsurer are placed on a proportional and non–proportional basis. While Proportional reinsurance are mainly quota–share reinsurance which is taken out, on original terms basis, to mitigate our overall exposure to risk in specific categories of risk underwriting businesses, Non–proportional reinsurances are principally excess–of–loss reinsurance intended to ameliorate our net exposure to large losses. Retention limits for the excess–of–loss reinsurance vary by product line.

Both the amounts of outstanding claims and recoverable from reinsurers are projected in comportment with the outstanding claims provision and are in accordance with the terms of reinsurance contracts. Despite have put in place the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Non-life insurance contracts

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

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

(i) Frequency and severity of claims

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

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

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

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

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

31-Dec-21

Product	Gross sum insured	Gross Re-Insured	Net sum insured
Fire	266,831	183,848	82,983
General Accident	229,733	93,286	136,448
Marine	141,856	107,714	34,142
Bond	305	505	(200)
Oil & Gas	131,163	38,936	92,227
Engineering	37,332	21,744	15,588
Special risk	52	-	52
Motor	250,971	15,219	235,752
Total	**1,058,243**	**461,252**	**596,991**

31-Dec-20

Product	Gross sum insured	Gross Re-Insured	Net sum insured
Fire	221,187	167,227	53,960
General Accident	243,578	114,970	128,608
Marine	215,176	124,680	90,497
Bond	3,527	736	2,791
Oil & Gas	69,013	21,882	47,131
Engineering	50,082	28,864	21,219
Special risk	33,716		33,716
Motor	**354,993**	**10,628**	**344,365**
Total	**1,191,273**	**468,988**	**722,286**

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

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

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

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

(iii) Process used to decide on assumptions

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

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

Discounted Inflation-adjusted Basic Chain Ladder method

Historical claims paid were grouped into 6 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 6 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.
The resulting claims estimated is discounted to the valuation date using a discount rate of 10% to allow for a margin of prudence.
The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding .

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method
This method assumes the following:

1. The future claims follows a trend pattern from the historical data
2. Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development periods.
3. The run off period is six (6) years and hence the method assumes no more claims will be paid after this.
4. That weighted past average inflation will remain unchanged into the future

Expected Loss Ratio method
This model assumes that the average delay in the payment of claims will continue into the future. Additionally, an estimate of the average ultimate loss ratio was assumed. The estimated average loss ratio was based on claims experience at the reporting date for accident years 2010, 2011 and 2012. For 3 of the classes of business namely Engineering, Workmen compensation, Bond and Oil & gas, there was very limited data. A Discounted Inflation-adjusted Basic Chain Ladder method was therefore inappropriate. The reserve was calculated as the expected average ultimate loss ratio for the assumed average delay period multiplied by earned premium for the assumed delay period minus current experience to the reporting date relating to the accident months that the delay affects.
Unearned premium provision was calculated using a time – apportionment basis. The same approach was taken for deferred acquisition cost as for the calculation of the UPR balance.

Sensitivity analysis

Sensitivity analysis is performed for possible movements in key assumptions with all other assumptions held constant, showing the impact the Company's insurance liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions.

Non-Life Valuation Report as at 31st December, 2021
Sensitivity Analysis

Class of Business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
Accident	80,251,964	90,391,240	70,105,193	81,178,865	79,335,387	79,467,113	81,058,407
Employers Liability*	1,024,524	1,421,437	627,610	1,024,524	1,024,524	1,019,006	1,030,133
Fire	86,254,898	94,858,759	77,644,271	87,089,846	85,425,200	85,611,100	86,912,750
Marine	43,235,904	46,783,020	39,674,649	43,365,331	43,106,884	42,981,573	43,494,830
Motor	45,624,973	51,396,114	39,799,235	45,897,668	45,353,783	45,309,742	45,946,888
Bond*	259,968	327,765	192,171	259,968	259,968	259,968	259,968
Oil & Gas*	13,985,414	19,141,227	8,829,600	13,985,414	13,985,414	13,909,510	14,062,613
Total	**270,637,645**	**304,319,562**	**236,872,729**	**272,801,616**	**268,491,160**	**268,558,011**	**272,765,588**
Account outstanding	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**	**132,046,678**
IBNR	138,590,967	172,272,884	104,826,051	140,754,937	136,444,481	136,511,333	140,718,910
Percentage change		**12.45%**	**-12.48%**	**0.80%**	**-0.79%**	**-0.77%**	**0.79%**

Non-Life Valuation Report as at 31st December, 2020
Sensitivity Analysis

Discounted IABCL

Class of Business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
Accident	77,482,210	87,572,679	67,375,253	77,629,969	77,334,538	76,692,204	78,295,803
Employers Liability	2,699,404	4,049,106	1,349,702	2,699,404	2,699,404	2,699,404	2,699,404
Fire	53,905,226	61,053,097	46,649,153	54,316,043	53,494,008	53,349,041	54,476,011
Marine	46,083,153	52,135,379	39,998,708	46,100,627	46,065,748	45,773,314	46,399,009
Motor	26,143,347	41,868,344	10,090,649	26,169,420	26,117,275	25,989,095	26,300,342
Bond	510,196	634,570	385,823	510,196	510,196	510,196	510,196
Oil & Gas*	15,854,712	19,761,944	11,947,479	15,854,712	15,854,712	15,622,854	16,092,464
Total	**222,678,248**	**267,075,120**	**177,796,766**	**223,280,371**	**222,075,880**	**220,636,108**	**224,773,229**
Account outstanding	**109,749,856**	**109,749,856**	**109,749,856**	**109,749,856**	**109,749,856**	**109,749,856**	**109,749,856**
IBNR	112,928,392	**157,325,264**	68,046,910	**113,530,515**	**112,326,025**	[illegible]	**115,023,373**
Percentage change		**19.94%**	-20.16%	**0.27%**	**-0.27%**	-0.92%	**0.94%**

Insurance Risk

The claims development history of the Group at the reporting date was as follows:

General Accident

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	12,511	33,751	14,701	1,088	5,632	101	-	-	-	-	-	-	-	-
2008	28,108	29,264	2,049	7,273	1,148	1,689	1,447	5,082	-	-	-	-	-	-
2009	17,302	24,114	1,181	1,584	1,188	166	2,000	5,419	-	-	1,727	-	-	-
2010	4,311	21,959	2,980	1,729	3,639	2,479	3,040	-	-	1,924	833	148	-	-
2011	10,307	20,762	15,359	8,191	3,410	3,527	750	485	566	-	-	-	-	-
2012	13,724	48,904	29,327	14,693	2,717	768	340	-	1,331	390	-	-	-	-
2013	20,836	35,752	12,359	11,076	5,239	2,665	755	-	-	-	-	-	-	-
2014	22,204	46,696	14,346	7,624	323	8,416	29	71	-	-	-	-	-	-
2015	13,851	25,465	7,877	6,647	5,794	4,218	2,048	-	-	-	-	-	-	-
2016	19,901	15,540	5,886	826	2,529	687	-	-	-	-	-	-	-	-
2017	7,821	16,075	1,539	4,314	71	-	-	-	-	-	-	-	-	-
2018	12,286	6,241	4,975	3,337	-	-	-	-	-	-	-	-	-	-
2019	19,861	24,079	6,341	-	-	-	-	-	-	-	-	-	-	-
2020	11,788	19,318	-	-	-	-	-	-	-	-	-	-	-	-
2021	3,896	-	-	-	-	-	-	-	-	-	-	-		

Fire

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	2,107	5,870	1,410	415	209	-	-	-	-	-	-	-	-	-
2008	1,048	3,426	676	1,638	-	-	-	-	-	-	-	-	-	-
2009	4,753	2,772	513	173	397	-	-	-	-	-	-	-	-	-
2010	8,765	10,842	337	163	-	-	-	-	-	-	-	-	-	-
2011	1,480	31,108	999	75	2	-	-	11	-	-	-	-	-	-
2012	6,525	27,971	7,355	2,454	1,776	1,367	-	2,888	-	-	-	-	-	-
2013	13,206	18,595	8,944	5,203	626	114	166	-	-	-	-	-	-	-
2014	15,561	24,678	7,593	2,530	6,204	373	-	-	-	-	-	-	-	-
2015	22,299	14,167	3,821	107	1,778	-	-	-	-	-	-	-	-	-
2016	25,260	17,919	6,672	642	-	18	-	-	-	-	-	-	-	-
2017	10,723	31,965	9,599	172	47	-	-	-	-	-	-	-	-	-
2018	15,173	25,206	1,726	2,483	-	-	-	-	-	-	-	-		
2019	26,879	34,807	1,426	-	-	-	-	-	-	-	-	-	-	-
2020	23,733	33,373	-	-	-	-	-	-	-	-	-	-	-	-
2021	13,166	-	-	-	-	-	-	-	-	-	-	-		

Motor

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	6,061	12,177	1,737	1,025	-	-	-	-	-	-	-	-	-	-
2008	20,500	19,518	4,275	358	2,259	-	-	-	-	-	-	-	-	-
2009	29,133	44,956	13,902	2,864	551	-	-	-	-	-	-	-	-	-
2010	34,272	28,009	1,581	1,905	-	-	-	2,216	-	-	-	-	-	-
2011	63,872	28,954	646	-	1,121	-	-	6	200	-	-	-	-	-
2012	51,657	22,791	162	1,063	-	-	-	-	-	-	-	-	-	-
2013	43,049	24,404	1,167	1,086	425	2,942	-	-	-	-	-	-	-	-
2014	47,395	44,804	782	-	-	-	-	-	-	-	-	-	-	-
2015	43,911	17,689	1,503	42	126	-	-	-	-	-	-	-	-	-
2016	31,116	31,493	4,171	-	319	24	-	-	-	-	-	-	-	-
2017	43,258	21,497	144	-	-	-	-	-	-	-	-	-	-	-
2018	34,572	14,402	-	-	-	-	-	-	-	-	-	-	-	
2019	33,774	7,719	1,827	-	-	-	-	-	-	-	-	-	-	-
2020	32,510	9,512	-	-	-	-	-	-	-	-	-	-	-	-
2021	33,582	-	-	-	-	-	-	-	-	-	-	-		

Marine

	Incremental Chain ladder-Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	9	839	-	-	-	-	-	-	-	-	-	-	-	-
2008	4,957	-	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	3,898	7,406	322	-	-	-	-	-	-	-	-	-	-
2010	1,488	3,377	184	-	-	-	-	-	-	-	-	-	-	-
2011	3,012	4,916	4,702	703	182	-	-	-	-	-	-	-	-	-
2012	4,343	2,694	182	661	-	-	-	-	-	-	-	-	-	-
2013	868	8,189	4,973	9	-	-	-	-	-	-	-	-	-	-
2014	6,531	2,798	-	127	-	-	-	-	-	-	-	-	-	-
2015	11,157	869	2,481	30	61	-	-	-	-	-	-	-	-	-
2016	6,091	1,107	3,972	2,328	-	-	-	-	-	-	-	-	-	-
2017	6,271	3,379	1,591	654	-	-	-	-	-	-	-	-	-	-
2018	877	16,809	1,539	669	-	-	-	-	-	-	-	-		
2019	7,231	6,125	66	-	-	-	-	-	-	-			-	-
2020	2,478	8,959	-	-	-	-	-	-	-	-			-	-
2021	3,224	-	-	-	-	-	-	-	-	-				

Cumulative Claims Development Pattern:

General Accident

	Cumulative Chain Ladder - Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	64,419	215,405	273,146	276,969	294,907	295,194	295,194	295,194	295,194	295,194	295,194	295,194	295,194	295,194
2008	125,744	240,684	247,882	271,047	274,313	278,761	282,279	293,552	293,552	293,552	293,552	293,552	293,552	293,552
2009	67,956	152,671	156,434	160,939	164,066	164,469	168,906	179,051	179,051	179,051	181,313	181,313	181,313	
2010	15,146	85,087	93,560	98,113	106,961	112,459	118,151	118,151	118,151	120,671	121,619	121,767		
2011	32,828	91,869	132,310	152,226	159,790	166,394	167,611	168,318	169,059	169,059	169,059			
2012	39,029	167,799	239,102	271,696	276,783	278,029	278,526	278,526	280,041	280,431				
2013	54,864	141,787	169,204	189,943	198,445	202,331	203,320	203,320	203,320					
2014	53,986	157,573	184,433	196,806	197,277	208,298	208,331	208,402						
2015	30,726	78,405	91,189	100,883	108,470	113,273	115,322							
2016	37,261	62,481	71,066	72,147	75,027	75,714								
2017	12,693	36,137	38,152	43,065	43,136									
2018	17,918	26,091	31,756	35,092										
2019	26,008	53,427	59,767											
2020	13,423	32,741												
2021	3,896													

Fire

	Cumulative Chain Ladder - Yearly (₦'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	10,847	37,107	42,645	44,103	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768	44,768
2008	4,688	18,146	20,520	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736	25,736
2009	18,668	28,408	30,044	30,535	31,580	31,580	31,580	31,580	31,580	31,580	31,580	31,580	31,580	
2010	30,791	65,322	66,281	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710		
2011	4,714	93,177	95,808	95,990	95,993	95,993	95,993	96,010	96,010	96,010	96,010			
2012	18,557	92,208	110,089	115,532	118,857	121,075	121,075	124,858	124,858	124,858				
2013	34,772	79,982	99,823	109,564	110,580	110,746	110,964	110,964	110,964					
2014	37,834	92,579	106,795	110,901	119,950	120,438	120,438	120,438						
2015	49,466	75,992	82,192	82,349	84,677	84,677	84,677							
2016	47,294	76,376	86,105	86,946	86,946	86,963								
2017	17,403	64,020	76,591	76,786	76,833									
2018	22,128	55,135	57,101	59,584										
2019	35,198	74,833	76,259											
2020	27,025	60,398												
2021	13,166													

Motor

	Cumulative Chain Ladder - Yearly (N'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	31,209	85,684	92,507	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109	96,109
2008	91,707	168,368	183,387	184,527	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950	190,950
2009	114,422	272,356	316,635	324,780	326,231	326,231	326,231	326,231	326,231	326,231	326,231	326,231	326,231	
2010	120,399	209,609	214,105	219,121	219,121	219,121	219,121	222,717	222,717	222,717	222,717	222,717		
2011	203,432	285,770	287,472	287,472	289,958	289,958	289,958	289,966	290,228	290,228	290,228			
2012	146,900	206,912	207,305	209,663	209,663	209,663	209,663	209,663	209,663	209,663				
2013	113,353	172,686	175,275	177,308	177,998	182,288	182,288	182,288	182,288					
2014	115,232	214,624	216,089	216,089	216,089	216,089	216,089	216,089						
2015	97,410	130,529	132,968	133,029	133,194	133,194	133,194							
2016	58,260	109,370	115,454	115,454	115,817	115,841								
2017	70,204	101,556	101,745	101,745	101,745									
2018	50,420	69,279	69,279	69,279										
2019	44,227	53,016	54,843											
2020	37,019	46,531												
2021	33,582													

Marine

	Cumulative Chain Ladder - Yearly (N'000)													
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
2007	46	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
2008	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174	22,174
2009	-	13,694	37,282	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	38,199	
2010	5,229	15,985	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510		
2011	9,593	23,572	35,952	37,661	38,065	38,065	38,065	38,065	38,065	38,065	38,065			
2012	12,350	19,442	19,885	21,350	21,350	21,350	21,350	21,350	21,350	21,350				
2013	2,287	22,198	33,231	33,247	33,247	33,247	33,247	33,247	33,247					
2014	15,880	22,088	22,088	22,294	22,294	22,294	22,294	22,294						
2015	24,751	26,378	30,405	30,448	30,528	30,528	30,528							
2016	11,404	13,200	18,992	22,042	22,042	22,042								
2017	10,177	15,105	17,189	17,934	17,934									
2018	1,280	23,291	25,043	25,713										
2019	9,469	16,444	16,510											
2020	2,822	11,781												
2021	3,224													

Life insurance contracts

Individual life insurance contracts offered by the Group include: whole life, term assurance, group life, credit life products, endowment assurances and immediate life annuity pensions.

Whole life and term assurance are conventional regular premium products where a lump sum benefit, either fixed or decreasing, is payable on death or permanent disability. Contracts with a deposit premium option acquire surrender values.

Immediate Life Annuity business offer regular income for life, guaranteed to be payable for a minimum period , in exchange for a lump sum or premium at retirement. The Group is exposed longevity and the re-investment risks. An asset-liability matching exercise is performed regularly to ensure that appropriate assets are held that match liabilities by nature, term, currency and cash-flow.
Other annuity products are similar to our endowment products in nature and don't carry any longevity risks.

To the extent that maturity values or investment returns are guaranteed, there is a risk that actual returns are lower than those expected/guaranteed.

Credit life products are variants of both the whole life and term assurance products for products sold through the banks. The death benefit cover is normally a decreasing term assurance policy linked to the outstanding debt with the bank at death.

Funeral products, the Family Benefit Plan and the Family Comfort Plan, offer a whole of life level benefit to cover funeral expenses for the insured members. The contract ceases on the first death. The Group's Life business provided death in service cover for employees and few contracts have also included cover for funeral.

There is a risk that expense will overrun as downward pressure on rates increases and the demand for better service increases. Also, brokers hold on to premiums for some time before remitting it to the insurers introducing default risk. There is also a risk that reinsurers will default on legitimate claims.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Group wide reinsurance limits of N5m on any single life insured and N140m on all high risk individuals insured are in place.

The Group has the right to review its mortality and morbidity rates should experience worsen but may be undermined by increased competition.
The insurance risks described above can be exacerbated by the selective withdrawal or decision to pay reduced premiums by healthy lives assureds. As a result, the amount of insurance risk is also subject to contract holder behaviour.
For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity and the risk that actual interest rate differs from that guaranteed.

The following tables show the concentration of life insurance by type of contract.

	31-Dec-21		
Types of Life Insurance contracts	**Gross Life insurance and investment contract liabilities**	**Life Insurance and Investment contract liabilities ceded to Reinsurance**	**Life Insurance and Investment contract Liabilities (Net)**
	N	**N**	**N**
Mortgage Protection	906,562	-	906,562
Endowments	85,475,025	-	85,475,025
Guaranteed annuity products	9,399,384,871	-	9,399,384,871
Deposit based products	406,213,181	-	406,213,181
Total life insurance liabilities	**9,891,979,639**	**-**	**9,891,979,639**

	31-Dec-20		
Types of Life Insurance contracts	**Gross Life insurance and investment contract liabilities**	**Life Insurance and Investment contract liabilities ceded to Reinsurance**	**Life Insurance and Investment contract Liabilities (Net)**
	N	**N**	**N**
Mortgage Protection	155,927,900	-	155,927,900
Endowments	73,599,056	-	73,599,056
Guaranteed annuity products	5,887,301,143	-	5,887,301,143
Deposit based products	376,935,454	-	376,935,454
Total life insurance liabilities	**6,493,763,553**	**-**	**6,493,763,553**

Sensitivity Analysis
Sensitivity analysis is performed for possible movements in key assumptions with all other assumptions held constant, showing the impact on the Group's insurance liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions.

Key Assumptions

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

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

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's experience.
An increase in rates will lead to a larger number of expected claims (and claims could occur sooner than anticipated), which will increase the reserve and reduce reported profits for the shareholders.

Longevity

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

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

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to a reduction in reserves and an increase in reported profits for the shareholders.

Expenses

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

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

Lapses and surrender rates

Lapses relate to the termination of risk policies or investment policies that have not acquired a value due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on the long term risk free rate plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude.

Sensitivity of Liabilities to changes in long term valuation assumptions

31-Dec-21

N'000	**Base**	**VIR +1%**	**VIR -1%**	**Expenses +10%**	**Expenses -10%**	**Expense inflation +2%**	**Expense inflation -2%**	**Mortality +5%**	**Mortality -5%**
Individual Risk Reserves	9,523,247	8,996,299	10,114,701	9,565,524	9,481,008	9,619,586	9,453,203	9,570,505	9,474,999
Investment Linked Products	406,213	406,213	406,213	406,213	406,213	406,213	406,213	406,213	406,213
Group Life - UPR	204,262	204,262	204,262	204,262	204,262	204,262	204,262	204,262	204,262
Group Life - AURR	888	888	888	888	888	888	888	888	888
Group Life - IBNR	381,295	381,295	381,295	381,295	381,295	381,295	381,295	381,295	381,295
Group DA	73,005	73,005	73,005	73,005	73,005	73,005	73,005	73,005	73,005
Outsanding Claims	864,951	864,951	864,951	864,951	864,951	864,951	864,951	864,951	864,951
Additional reserves	154,703	154,703	154,703	154,703	154,703	154,703	154,703	154,703	154,703
Reinsurance	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)	(29,368)
Net liability	**11,579,196**	**11,052,248**	**12,170,651**	**11,621,474**	**11,536,957**	**11,675,535**	**11,509,152**	**11,626,455**	**11,530,949**
% change in Net Liability		**-4.55%**	**5.11%**	**0.37%**	**-0.36%**	**0.83%**	**-0.60%**	**0.41%**	**-0.42%**

Summary	**Base**	**Interest rate +1%**	**Interest rate -1%**	**Expenses +10%**	**Expenses -10%**	**Expense**	**Expense**	**Mortality +5%**	**Mortality -5%**
Individual	10,084,163	9,557,215	10,675,617	10,126,440	10,041,924	10,180,502	10,014,119	10,131,421	10,035,915
Group	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033	1,495,033
Net liability	**11,579,196**	**11,052,248**	**12,170,651**	**11,621,474**	**11,536,957**	**11,675,535**	**11,509,152**	**11,626,455**	**11,530,949**
% change in liability		**-4.55%**	**5.11%**	**0.37%**	**-0.36%**	**0.83%**	**-0.60%**	**0.41%**	**-0.42%**

---Sensitivities not applied to reinsurance for individual business due to immateriality
---The Mortality sensitivity tests have been applied in the opposite direction for the annuity business. For example Mortality +5% has ben tested as a 5% lightening of annuitant mortality
---All sensitivities were carried out independently

31-Dec-20

Sensitivity of Liabilities to changes in long term valuation assumptions

N'000	**Base**	**VIR +1%**	**VIR -1%**	**Expenses +10%**	**Expenses -10%**	**Expense inflation +2%**	**Expense inflation -2%**	**Mortality +5%**	**Mortality -5%**
Individual Risk Reserves	596,202	561,767	632,812	605,270	585,188	622,147	592,343	598,849	591,621
Investment Linked Products	377,669	377,669	377,669	377,669	377,669	377,669	377,669	377,669	377,669
Group Life - UPR	1,409,401	1,409,401	1,409,401	1,409,401	1,409,401	1,409,401	1,409,401	1,409,401	1,409,401
Group Life - AURR	638	638	638	638	638	638	638	638	638
Group Life - IBNR	584,624	584,624	584,624	584,624	584,624	584,624	584,624	584,624	584,624
Group DA	74,354	74,354	74,354	74,354	74,354	74,354	74,354	74,354	74,354
Outsanding Claims	1,006,574	1,006,574	1,006,574	1,006,574	1,006,574	1,006,574	1,006,574	1,006,574	1,006,574
Additional reserves	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Reinsurance	(212,921)	(212,921)	(212,921)	(212,921)	(212,921)	(212,921)	(212,921)	(212,921)	(212,921)
Net liability	**3,971,540**	**3,937,105**	**4,008,150**	**3,980,608**	**3,960,526**	**3,997,485**	**3,967,681**	**3,974,187**	**3,966,959**
% change in Net Liability		**-0.87%**	**0.92%**	**0.23%**	**-0.28%**	**0.65%**	**-0.10%**	**0.07%**	**-0.12%**

Summary	**Base**	**Interest rate +1%**	**Interest rate -1%**	**Expenses +10%**	**Expenses -10%**	**Expense**	**Expense**	**Mortality +5%**	**Mortality -5%**
Individual	1,108,870	1,074,436	1,145,481	1,117,938	1,097,857	1,134,816	1,105,012	1,111,517	1,104,290
Group	2,862,669	2,862,669	2,862,669	2,862,669	2,862,669	2,862,669	2,862,669	2,862,669	2,862,669
Net liability	**3,971,540**	**3,937,105**	**4,008,150**	**3,980,608**	**3,960,526**	**3,997,485**	**3,967,681**	**3,974,187**	**3,966,959**
% change in liability		**-0.87%**	**0.92%**	**0.23%**	**-0.28%**	**0.65%**	**-0.10%**	**0.07%**	**-0.12%**

All stresses were applied independently
Stresses not applied to individual reinsurance asset due to immateriality

(e) Liquidity risks

Liquidity risk is the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfil its financial obligation once claims crystallize. In respect of catastrophe events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Group mitigates this risk by monitoring cash activities and expected outflows. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Group' s cash and short term investments make up about 65% of its investment portfolio. This highlights liquid marketable securities sufficient to meet its liabilities as at when due. Short term investments include treasury bills and term deposits with an original maturity of less than one year.

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

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

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

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

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

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

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

Residual contractual maturities of financial assets and liabilities

The table below shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow/ (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

Group

31-Dec-21

In thousands of Naira	**Carrying amount**	**Contractual cashflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**Over 5 years**
Non- derivative financial assets							
Cash and cash equivalents	7,249,123	7,249,123	7,249,123	-	-	-	-
Trade receivables	66,142	66,142	66,142	-	-	-	-
Reinsurance assets	265,355	265,355	-	265,355	-	-	-
Other receivables and prepayment	280,295	280,295	140,148	140,147	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**8,360,915**	**8,360,915**	**7,455,413**	**405,502**	**-**	**-**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	12,013,192	12,004,064	567,001	1,017,921	107,757	9,636,797	674,589
Investment contract liabilities	479,218	479,218	479,218	-	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,120,658	1,120,658	1,120,658	-	-	-	-
Total liabilities	**13,622,849**	**13,613,721**	**2,176,658**	**1,017,921**	**107,757**	**9,636,797**	**674,589**
Gap (assets - liabilities)	(5,261,934)	(5,252,806)	5,278,755	(612,418)	(107,757)	(9,636,797)	(174,589)
Cumulative liquidity gap			5,278,755	4,666,337	4,558,580	(5,078,217)	(5,252,807)

Company

31-Dec-21

In thousands of Naira	**Carrying amount**	**Contractual cashflow**	**0 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 years**	**Over 5 years**
Non- derivative financial assets							
Cash and cash equivalents	7,123,621	7,123,621	7,123,621	-	-	-	-
Trade receivables	1,154	1,154	1,154	-	-	-	-
Reinsurance assets	265,355	265,355	-	115,640	119,768	19,150	-
Other receivables and prepayment	202,192	202,192	-	202,192	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**8,092,322**	**8,092,322**	**7,124,775**	**317,832**	**119,768**	**19,150**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	11,896,308	11,896,308	1,308,594	1,784,446	2,141,335	2,379,262	4,282,671
Investment contract liabilities	479,218	479,218	-	479,218	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,101,548	1,101,548	378,774	-	126,593	596,180	-
Total liabilities	**13,486,855**	**13,486,855**	**1,697,149**	**2,263,664**	**2,267,928**	**2,975,442**	**4,282,671**
Gap (assets - liabilities)	(5,394,533)	(5,394,533)	5,427,626	(1,945,833)	(2,148,160)	(2,956,292)	(3,782,671)
Cumulative liquidity gap			5,427,626	3,481,793	1,333,633	(1,622,659)	(5,405,330)

Group

31-Dec-20

In thousands of Naira	Carrying amount	Contractual cashflow	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years
Non- derivative financial assets							
Cash and cash equivalents	6,376,274	6,376,274	6,376,274	-	-	-	-
Trade receivables	86,152	86,152	86,152	-	-	-	-
Reinsurance assets	256,649	256,649	-	256,649	-	-	-
Other receivables and prepayment	506,129	506,129	253,065	253,065	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**7,725,204**	**7,725,204**	**6,715,491**	**509,713**	**-**	**-**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	8,634,729	8,610,740	510,222	1,018,826	107,757	6,043,229	930,706
Investment contract liabilities	450,535	450,535	450,535	-	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,111,289	1,111,289	1,111,289	-	-	-	-
Total liabilities	**10,206,335**	**10,182,345**	**2,081,827**	**1,018,826**	**107,757**	**6,043,229**	**930,706**
Gap (assets - liabilities)	(2,481,131)	(2,457,141)	4,633,663	(509,113)	(107,757)	(6,043,229)	(430,706)
Cumulative liquidity gap			4,633,663	4,124,551	4,016,794	(2,026,435)	(2,457,142)

Company

31-Dec-20

In thousands of Naira	Carrying amount	Contractual cashflow	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years
Non- derivative financial assets							
Cash and cash equivalents	6,272,625	6,272,625	6,272,625	-	-	-	-
Trade receivables	6,989	6,989	6,989	-	-	-	-
Reinsurance assets	256,649	256,649	-	134,950	92,119	29,580	-
Other receivables and prepayment	406,643	406,643	-	406,643	-	-	-
Statutory Deposit	500,000	500,000	-	-	-	-	500,000
Total assets	**7,442,906**	**7,442,906**	**6,279,614**	**541,593**	**92,119**	**29,580**	**500,000**
Non- derivative financial liabilities							
Insurance contract liabilities	8,502,983	8,502,983	935,328	1,275,447	1,530,537	1,700,597	3,061,074
Investment contract liabilities	450,535	450,535	-	450,535	-	-	-
Trade payable	9,781	9,781	9,781	-	-	-	-
Other payable	1,093,709	1,093,709	232,738	-	263,523	597,449	-
Total liabilities	**10,057,008**	**10,057,008**	**1,177,847**	**1,725,982**	**1,794,060**	**2,298,046**	**3,061,074**
Gap (assets - liabilities)	(2,614,102)	(2,614,102)	5,101,767	(1,184,390)	(1,701,941)	(2,268,465)	(2,561,074)
Cumulative liquidity gap			5,101,767	3,917,377	2,215,436	(53,029)	(2,614,103)

(f) Market risks

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

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

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

(g) Foreign currency risk

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

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

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

The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels. Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum. The Group's exposure to foreign exchange risk is low.

The carrying amounts of the Group’s foreign currency denominated assets and liabilities are as follows:

Group

31-Dec-21

	US Dollar N’000	UK Pound Sterling N’000	Euro N’000	Total N’000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Company

31-Dec-21

	US Dollar N’000	UK Pound Sterling N’000	Euro N’000	Total N’000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Group

31-Dec-20

	US Dollar N’000	UK Pound Sterling N’000	Euro N’000	Total N’000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Company

31-Dec-20

	US Dollar N’000	UK Pound Sterling N’000	Euro N’000	Total N’000
Cash and cash equivalents	457,236	-	430,716	887,952
Investment property	440,315	-	-	440,315

Foreign currency sensitivity analysis

The following table details the Group’s sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables

The following tables show the effect on the profit as at 31st December 2020 from N385/$ closing rate and as at 31st December 2021 from N385/$ closing rate respectively.

Group
31-Dec-21

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders' Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders' Equity	(62,829)	-	(30,150)	(92,979)

Company
31-Dec-21

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders' Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders' Equity	(62,829)	-	(30,150)	(92,979)

Group
31-Dec-20

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders' Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders' Equity	(62,829)	-	(30,150)	(92,979)

Company
31-Dec-20

	US Dollars N'000	Euro N'000	Pound Sterling N'000	Total N'000
10% increase	89,755	-	43,072	132,827
10% decrease	(89,755)	-	(43,072)	(132,827)
Impact of increase on:				
Pre-tax Profit	89,755	-	43,072	132,827
Shareholders' Equity	62,829	-	30,150	92,979
Impact of decrease on:				
Pre-tax Profit	(89,755)	-	(43,072)	(132,827)
Shareholders' Equity	(62,829)	-	(30,150)	(92,979)

(h) Interest rate risks

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

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

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modelled and reviewed. The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The Group is also exposed to the risk of changes in future cash flows from fixed income securities arising from the changes in interest rates.

Sensitivity analysis on financial assets

As part of the Group's investment strategy, in order to reduce both insurance and financial risk, the Group matches its investments to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the income statement) and equity (that reflects adjustments to profit before tax and changes in fair value of financial assets whose fair values are recorded in the statement of changes in equity).

The correlation of variables will have a significant effect in determining the ultimate fair value and/or amortised cost of financial assets, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

In thousands of naira	Group 31-Dec-20	Group 31-Dec-20	Company 31-Dec-20	Company 31-Dec-20
Financial instruments				
Cash and cash equivalents	7,249,123	6,376,274	7,123,621	6,272,625
Financial assets:				
Amortised cost	355,901	570,277	355,901	570,277
	7,605,024	6,946,551	7,479,522	6,842,902

Price risk

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

The Group is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed securities that present the Company with opportunity for return through dividend income and capital appreciation.

(i) Operational Risks

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

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address the risks
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

50 Capital Management Policies, Objectives and Approach

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

Great Nigeria Insurance's operations are also subject to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement as specified by National Insurance Commission (NAICOM) for life insurance business in Nigeria is N2 billion, N3 billion for Non-life insurance business, N5 billion for composite insurance business and N10 billion for Reinsurance business and insurers are also mandated to maintain 10% of this paid up capital with the Central Bank as Statutory Deposit. In addition, quarterly and annual returns must be submitted to NAICOM on a regular basis. The National Health Insurance Scheme (NHIS) has set a minimum capital of N200 million for regional Health Maintenance Organizations (HMOs).
The regulations prescribed by NAICOM not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., solvency margin) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

In reporting the Great Nigeria Insurance's solvency status, solvency margin are computed using the rules prescribed by the National Insurance Commission (NAICOM). The margin of solvency, according to NAICOM is defined as total admissible assets less total liabilities. This shall not be less than either 15% of net premium or the minimum paid up share capital whichever is higher. Great Nigeria Insurance's capital management policy for its business is to hold sufficient capital to cover the statutory requirements based on the NAICOM regulations, including any additional amounts required by the regulators.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Great Nigeria Insurance's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

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

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.
The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.
The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, whichever is greater.
The Company's solvency margin position is as follows:

		31-Dec-21	31-Dec-20
Admissible Assets		**N'000**	**N'000**
Financial assets:			
Cash and cash equivalents		7,106,634	6,233,055
Financial assets		4,880,973	1,568,831
Trade receivables		1,154	6,989
Reinsurance assets		265,355	256,649
Deferred acquisition cost		71,579	64,995
Right of Use Asset		71,507	81,722
Other receivables and prepayments		15,821	14,928
Investment in subsidiaries		348,146	339,257
Land and building and Investment properties		5,693,415	4,573,000
Intangible assets		169,318	168,880
Statutory deposit		500,000	500,000
Other property and equipment		132,558	363,219
Total Admissible Assets	A	**19,256,460**	**14,171,524**
LESS ADMISSIBLE LIABILITIES			
Trade payables		9,781	9,781
Gratuity payable		1,722	1,722
Provision and other payables		1,131,047	1,145,230
Insurance contract liabilities		11,896,308	8,502,983
Investment contract liabilities		479,218	450,535
Lease Liability		35,874	31,195
Current Income Tax Liabilities		50,027	133,408
Total Admissible Liabilities	B	**13,603,977**	**10,274,854**
Solvency Margin (A-B)		**5,652,483**	**3,896,670**
Higher of:			
Gross Premium Income		8,368,607	7,164,075
Less: Reinsurance premium		(550,884)	(521,915)
Net Premium		**7,817,723**	**6,642,160**
15% of Net Premium		**1,172,658**	**996,324**
Minimum Paid-up Capital		**5,000,000**	**5,000,000**
The higher thereof:			
Solvency margin below minimum paid up capital		**652,483**	**(1,103,330)**

51 Valuation basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. Fair values are determined at prices quoted in active markets. In our 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 could 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. The Group has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3

Fair value measurements recognised in the statement of financial position.

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

Group

31-Dec-21

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	3,972,656	-	-	3,972,656
Total financial assets measured at fair value		**3,972,656**	**-**	**-**	**3,972,656**

Group

31-Dec-20

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	456,747	-	-	456,747
Total financial assets measured at fair value		**456,747**	**-**	**-**	**456,747**

Company

31-Dec-21

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	3,972,656	-	-	3,972,656
Total financial assets measured at fair value		**3,972,656**	**-**	**-**	**3,972,656**

31-Dec-20

In thousands of Naira	*Notes*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Equity securities - Assets at FVTPL	6	456,747	-	-	456,747
Total financial assets measured at fair value		**456,747**	**-**	**-**	**456,747**

There are no financial instruments measured in level 3 of the fair value hierarchy, hence no reconciliation of level 3 fair value hierarchy has been presented

Financial instruments not measured at fair value

No fair value disclosures are provided for cash and cash equivalents, loans and receivables, trade receivables, other receivables, bank borrowings, trade payables, provision and other payables and finance lease obligations that are measured at cost because their carrying amount reasonably approximate their fair value.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and current balances with banks. The carrying amounts of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

Trade receivables and Other receivables

The carrying amounts of trade receivables and other receivables are reasonable approximation of their fair values which are receivable on demand.

Bank borrowings, Trade payables, Provision and other payables and Finance lease obligations

The carrying amounts of bank borrowings, trade payables, provision and other payables and finance lease obligations are reasonable approximation of their fair values which are repayable on demand.

52 Financial assets and liabilities

Accounting classification measurement basis and fair values

The table below sets out the Group’s classification of each class of financial assets and liabilities.

Group

31-Dec-21		**Fair value through P/L**	**Amortised Cost**	**Fair value through OCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira	Notes						
Financial assets							
Cash and cash equivalents	5		7,249,123	-	-	7,249,123	7,249,123
Financial assets	6	3,972,656	355,901	552,416	-	4,880,973	4,880,973
Trade receivables	7	-	66,142	-	-	66,142	66,142
Reinsurance assets	8	-	74,303	-	-	74,303	74,303
Other receivables excluding prepayments	11	-	456,816	-	-	456,816	456,816
		3,972,656	8,202,285	552,416	-	12,727,357	12,727,357
Financial liabilities							
Insurance contract liabilities	17	-	-	-	12,013,192	12,013,192	12,013,192
Investment contract liabilities	18	-	-	-	479,218	479,218	479,218
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,150,157	1,150,157	1,150,157
		-	-	-	13,652,348	13,652,348	13,652,348

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Group

31-Dec-20		**Fair value through P/L**	**Amortised Cost**	**Fair value through OCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira	Notes						
Financial assets							
Cash and cash equivalents	5		6,376,274	-	-	6,376,274	6,376,274
Financial assets	6	456,747	570,277	541,807	-	1,568,831	1,568,831
Trade receivables	7	-	86,152	-	-	86,152	86,152
Reinsurance assets	8	-	74,303	-	-	74,303	74,303
Other receivables excluding prepayments	11	-	536,727	-	-	536,727	536,727
		456,747	7,643,734	541,807	-	8,642,288	8,642,288
Financial liabilities							
Insurance contract liabilities	17	-	-	-	8,634,729	8,634,729	8,634,729
Investment contract liabilities	18	-	-	-	450,535	450,535	450,535
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,140,789	1,140,789	1,140,789
		-	-	-	10,235,834	10,235,834	10,235,834

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Company

31-Dec-21 *In thousands of Naira*	Notes	Fair value through P/L	Amortized cost	Fair value through OCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets							
Cash and cash equivalents	5	-	7,123,621	-	-	7,123,621	7,123,621
Financial assets	6	3,972,656	355,901	552,416		4,880,973	4,880,973
Trade receivables	7	-	1,154	-	-	1,154	1,154
Reinsurance assets	8	-	265,355	-	-	265,355	265,355
Other receivables excluding prepayments	11	-	476,686	-	-	476,686	476,686
		3,972,656	8,222,716	552,416	-	12,747,788	12,747,788
Financial liabilities							
Insurance contract liabilities	17	-	-	-	11,896,308	11,896,308	11,896,308
Investment contract liabilities	18	-	-	-	479,218	479,218	479,218
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,131,047	1,131,047	1,131,047
		-	-	-	13,516,354	13,516,354	13,516,354

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

Company

Dec-20 In thousands of Naira	Notes	Fair value through P/L	Amortized cost	Fair value through OCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets							
Cash and cash equivalents	5	-	6,272,625	-	-	6,272,625	6,272,625
Financial assets	6	456,747	570,277	541,807		1,568,831	1,568,831
Trade receivables	7	-	6,989	-	-	6,989	6,989
Reinsurance assets	8	-	256,649	-	-	256,649	256,649
Other receivables excluding prepayments	11	-	535,913	-	-	535,913	535,913
		456,747	7,642,453	541,807	-	8,641,007	8,641,007
Financial liabilities							
Insurance contract liabilities	17	-	-	-	8,502,983	8,502,983	8,502,983
Investment contract liabilities	18	-	-	-	450,535	450,535	450,535
Trade payable	19	-	-	-	9,781	9,781	9,781
Provision and other payables	21	-	-	-	1,123,209	1,123,209	1,123,209
		-	-	-	10,086,508	10,086,508	10,086,508

The carrying amount of these financial assets and liabilities are reasonable approximation of their fair values.

53 Segment information

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

No geographical segment information has been provided in these financial statements as there is only one geographical segment.

Business segments charge and earn interest among themselves on a transfer pricing arrangement to reflect the of assets and liabilities.

Business Segments

The Company operates the following main business segments:

Non-life (General) Business	- Includes general insurance transactions with individual and corporate customers
Life Business	- Includes life insurance policies with individual and corporate customers.
Asset Management	- Includes portfolio management services

The segment information provided by the Management Underwriting Investment Committee for the reporting segments for the year ended 31 December 2021

	Non-life		**Life**		**GNI Healthcare**		**Asset Management**	**Group**		**Company**	
In thousands of Naira	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Gross premium earned	1,058,243	1,191,273	7,310,364	5,972,804	237,350	215,857	-	8,605,958	7,379,934	8,368,607	7,164,077
Changes in unearned premium	(94,321)	22,665	37,542	1,173,779	25,320	(24,528)		(31,459)	1,171,915	(56,779)	1,196,443
Earned premium income	**963,922**	**1,213,938**	**7,347,906**	**7,146,582**	**262,670**	**191,329**	**-**	**8,574,498**	**8,551,849**	**8,311,828**	**8,360,520**
									-		-
Insurance premium ceded to re-insurer	(461,252)	(468,988)	(89,632)	(52,928)	-	-	-	(550,884)	(521,915)	(550,884)	(521,915)
Net insurance premium revenue	**502,670**	**744,950**	**7,258,274**	**7,093,655**	**262,670**	**191,329**	**-**	**8,023,614**	**8,029,934**	**7,760,944**	**7,838,605**
Fee income	99,909	107,527	5,914	14,224	-	-	-	105,823	121,750	105,823	121,750
Net underwriting Income	**602,579**	**852,477**	**7,264,188**	**7,107,879**	**262,670**	**191,329**	**-**	**8,129,437**	**8,151,684**	**7,866,767**	**7,960,355**
								-	-	-	-
Net claims expense	(164,150)	(110,326)	(1,992,264)	(1,378,070)	(149,684)	(130,848)	-	(2,306,097)	(1,619,244)	(2,156,413)	(1,488,396)
Acquisition expenses	(170,164)	(208,201)	(280,527)	(407,755)	(14,814)	(26,062)	-	(465,505)	(642,019)	(450,691)	(615,957)
Maintenance costs	(22,463)	(116,912)	(68,431)	(59,738)				(90,895)	(176,649)	(90,895)	(176,649)
	(356,777)	**(435,439)**	**(2,341,222)**	**(1,845,563)**	**(164,498)**	**(156,910)**	**-**	**(2,862,498)**	**(2,437,912)**	**(2,697,999)**	**(2,281,002)**
Changes in Life fund	-	-	(3,622,251)	(5,447,027)	-	-		(3,622,251)	(5,447,027)	(3,622,251)	(5,447,027)
Underwriting expenses	**(356,777)**	**(435,439)**	**(5,963,473)**	**(7,292,591)**	**(164,498)**	**(156,910)**	**-**	**(6,484,749)**	**(7,884,940)**	**(6,320,250)**	**(7,728,029)**
								-	-	-	-
Underwriting results	**245,803**	**417,038**	**1,300,714**	**(184,712)**	**98,172**	**34,419**	**-**	**1,644,690**	**266,745**	**1,546,517**	**232,326**
								-	-	-	-
Investment income	95,062	124,849	565,973	179,173	9,360	4,917	-	670,394	308,939	661,035	304,022
Net fair value gains/ (loss) on assets measured at fair value through profit or loss:	162,021	193,738	451,350	36,790	-	-	-	613,371	230,528	613,371	230,528
Other operating income	10,551	161,723	15,568	15	-	-	-	26,120	161,738	26,120	161,738
Management expenses	(734,494)	(909,487)	(787,047)	(591,913)	(89,211)	(83,939)	(9,574)	(1,647,188)	(1,585,339)	(1,521,540)	(1,501,400)
Finance Cost	(4,679)	(4,062)	-	-	-	-	-	(4,679)	(4,062)	(4,679)	(4,062)
Profit/(loss) on investment contracts	-	-	38,756	(244)	-	-	-	38,756	(244)	38,756	(244)
								-	-	-	-
Results of operating activities	**(225,736)**	**(16,201)**	**1,585,314**	**(560,891)**	**18,321**	**(44,603)**	**(9,574)**	**1,341,463**	**(621,695)**	**1,359,578**	**(577,092)**
Impairment losses	(40,697)	(66,623)	(40,746)	(31,007)	-	-	-	(90,333)	(97,629)	(81,444)	(97,629)
Reportable segment profit/ (loss) before tax	**(266,433)**	**(82,824)**	**1,544,568**	**(591,897)**	**18,321**	**(44,603)**	**(9,574)**	**1,251,130**	**(719,324)**	**1,278,134**	**(674,721)**
								-	-	-	-
Minimium Tax	(3,306)	(46,781)	(1,413)	(9,816)	(680)	(491)	-	(5,399)	(57,088)	(4,719)	(56,597)
Income tax	-		(15,522)	-	(853)	-	-	(16,375)	-	(15,522)	-
Deferred Tax	(46,528)	-	(142,200)	-	-	-		(188,728)	-	(188,728)	-
Profit before tax	**(316,267)**	**(129,604)**	**1,385,433**	**(601,714)**	**16,788**	**(54,668)**	**(9,574)**	**1,040,629**	**(785,986)**	**1,069,168**	**(731,318)**
								-	-	-	-
Contigency Reserve	(31,747)	(35,738)	(73,104)	(163,821)	-	-		(104,851)	(199,560)	(104,851)	(199,560)
								-	-	-	-
								-	-	-	-
Total assets	6,058,186	6,160,246	17,798,718	13,099,069	471,256	451,326	-	20,783,594	15,773,285	20,612,720	15,592,748
								-	-	-	-
Total liabilities	4,632,590	4,699,598	12,835,975	9,546,028	180,225	188,411	-	14,224,382	10,749,265	14,224,382	10,579,062
								-	-	-	-
Net assets	1,425,597	1,460,649	4,962,744	3,553,040	291,031	262,915	-	6,412,087	5,024,024	6,388,338	5,013,686

54 ASSET AND LIABILITY MANAGEMENT (COMPANY)
HYPOTHECATION OF ASSETS AS AT 31 DECEMBER 2021
In thousands of Naira

	LIFE FUND	ANNUITY	INVESTMENT CONTRACT LIABILITIES	NON-LIFE INSURANCE CONTRACT LIABILITIES	SHAREHOLDERS FUND	TOTAL
Cash and Cash equivalent	91,776	5,856,691	467,192	707,963	-	7,123,622
Financial Assets				-	-	-
Corporate Bonds		-	151,992	101,422	-	253,414
FGN Bonds		3,483,826				3,483,826
Quoted equities	234,952	-	30,890	222,988	-	488,829
Unquoted equities	-	-	-	-	552,416	552,416
Loans & Receivables	-	-	-	-	102,487	102,487
Investment in Subsidiaries	-	-		-	348,147	348,147
Investment Properties	1,845,000	2,097,337	-	158,122	1,592,956	5,693,415
Property and equipment	-	-	-	-	1,285,460	1,285,460
Statutory deposits	-	-		-	500,000	500,000
Trade receivables	-	-	-	-	1,154	1,154
Deferred acquisition costs	-	-	-	-	71,578	71,578
Reinsurance assets	29,948	-	-	235,408	-	265,355
Other receivables and prepayments	-	-	-	-	202,193	202,193
Right of Use (ROU) Assets	-	-	-	-	71,506.7	71,507
Intangibles assets	-	-	-	-	169,318	169,318
Total Assets (a)	**2,201,675**	**11,437,854**	**650,074**	**1,425,903**	**4,897,216**	**20,612,720**
Policyholders liabilities						
Insurance contract liabilities	1,768,878	9,494,941		632,488.05	-	11,896,308
Investment contract liabilities			479,218.13		-	479,218
Trade payables					9,781	9,781
Retirement benefit obligation					1,722	1,722
Lease liability					35,874	35,874
Provisions and other payables					1,131,047	1,131,047
Deferred tax liabilities					620,405	620,405
Current income tax liabilities					50,027	50,027
Total Liabilities (b)	**1,768,878**	**9,494,941**	**479,218.13**	**632,488.05**	**1,848,856**	**14,224,382**
Excess/ (shortfall) of assets over liabilities (a-b)	**432,798**	**1,942,913**	**170,856**	**793,412**	**3,048,360**	**6,388,338**

ASSET AND LIABILITY MANAGEMENT (COMPANY)
HYPOTHECATION OF ASSETS AS AT 31 DECEMBER 2020
In thousands of Naira

	Non Life			Life					
	Shareholder's fund	**Policy holder's Fund**	**Others**	**Shareholder's fund**	**Policy holder's Fund**	**Annuity**	**Deposit Administration**	**Others**	**TOTAL**
TOTAL	**2,189,260**	**1,604,245**	**1,000,124**	**1,655,009**	**2,125,474**	**5,887,301**	**450,535**	**680,799**	**15,592,748**
INVESTMENTS:									
Fixed Assets:									
Real Estate	728,000	-		-	-	-	-	-	**728,000**
Office Equipment's	-	-		-	-	-	-	-	**-**
Computer Equipment	8,789	-		186	-	-	-	-	**8,974**
Generator set	18,261	-		0	-	-	-	-	**18,261**
Furniture and Equipment	5,656	-		7,438	-	-	-	-	**13,094**
Motor Vehicles	112,458	-		20,091	-	-	-	-	**132,549**
Fixture and Fittings	9,490	-		2,473	-	-	-	-	**11,964**
Others (see (a) below)	618,965		295,978	26,946	-	-	-	383,246	**1,325,135**
Other Investments :									
Mortgage Loans		-	-	-	-	-	-	-	**-**
Statutory Deposit	300,000	-	-	200,000	-	-	-	-	**500,000**
Treasury Bills	58		-	181682.5883	0		-	-	**181,741**
Corporate bonds and debentures	-	101,249	-	-	152,224	-	-	-	**253,473**
Loans and advances	-	-	3,436	131,627	-	-	-	-	**135,063**
Unquoted Securities	77,978		-	225,884	-	-	-	237,945	**541,807**
Quoted Securities	-	216,123	-	-	240,624	-	-	-	**456,747**
Bank Placements	-	1,251,490		-	341,318	4,423,393	256,423	-	**6,272,625**
Investment Properties	309,605	35,382	700,710	858,682	1,391,308	1,463,908	194,112	59,608	**5,013,315**
TOTAL	**2,189,260**	**1,604,245**	**1,000,124**	**1,655,009**	**2,125,474**	**5,887,301**	**450,535**	**680,799**	**15,592,748**
LIABILITIES									
Insurance contract Liability		490,208			**2,125,475**	**5,887,301**			**8,502,983**
Investment contract Liability							**450,535**		**450,535**
Deferred reinsurance cost	22,021								**22,021**
Trade payables	4,387			5,394					**9,781**
Retirement benefit obligation	1,722								**1,722**
Lease liability	31,195								**31,195**
Provisions and other payables	171,640			330,377	-			**621,191**	**1,123,209**
Deferred tax liabilities	289,188			15,020					**304,208**
Current income tax liabilities	22,672			110,736					**133,408**
	542,825	**490,208**	**-**	**461,527**	**2,125,475**	**5,887,301**	**450,535**	**621,191**	**10,579,062**
TOTAL	**1,646,435**	**1,114,037**	**1,000,124**	**1,193,482**	**-**	**-**	**-**	**59,608**	**5,013,686**

(a) Give details

Others		
	GEN. BUSINESS	**LIFE**
Intangible assets	142,809	26,071
Deferred Acquisition Expenses	40,542	24,453
Reinsurance Assets/ Tax liab	227,068	29,580
Premium Debtors	2,356	4,633
Right of Use (ROU)	81,722	-
Investment in subsidiary	99,770	239,488
Other Receivables and Prepayments	320,675	85,967
	914,943	**410,192**

Value Added Statement
for the year ended 31 December 2021

	Group 31-Dec-21		Group 31-Dec-20		Company 31-Dec-21		Company 31-Dec-20	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Gross premium (Local)	8,605,957		7,379,932		8,368,607		7,164,075	
Bought in materials and services								
- Local	(6,400,898)		(7,147,654)		(6,211,295)		(6,936,929)	
Value added	2,205,059	100	232,279	100	2,157,312	100	227,146	100
Distribution of value added								
To government								
Taxation	205,102	9	40,510	17	204,250	9	40,019	18
To employees								
Employee cost	593,048	27	598,526	258	555,708	26	552,528	243
Retained in the business								
Depreciation	81,783	4	85,570	37	75,909	4	73,972	33
Amortisation	85,523	4	81,555	35	81,987	4	79,355	35
To contingency reserve	170,290	8	199,560	86	170,290	8	199,560	88
To retained losses	1,069,313	48	(773,441)	(333)	1,069,168	50	(718,287)	(316)
Value added	2,205,059	100	232,279	100	2,157,312	100	227,146	100

Five-Year financial summary

In thousands of Naira

	Group		Company				
	2021	2020	2021	2020	2019	2018	2017
Statement of financial position							
Assets							
Cash and cash equivalents	7,249,123	6,376,274	7,123,621	6,272,625	2,591,680	1,577,085	1,656,765
Financial assets	4,880,973	1,568,831	4,880,973	1,568,831	1,384,887	1,212,209	1,119,717
Trade receivable	66,142	86,152	1,154	6,989	12,880	16,087	105,650
Reinsurance assets	265,355	256,649	265,355	256,649	473,363	490,148	478,023
Deferred acquisition cost	74,260	68,395	71,579	64,995	187,797	73,012	77,805
Other receivables and prepayment	280,295	506,129	202,192	406,643	66,243	291,003	294,652
Investment in subsidiary	-	-	348,146	339,257	289,257	182,404	204,813
Investment property	5,693,415	5,013,315	5,693,415	5,013,315	5,278,818	4,863,492	4,791,817
Right of Use (ROU) Assets	71,507	81,722	71,507	81,722	91,937	-	-
Intangible assets	173,747	171,080	169,318	168,880	69,843	68,780	-
Property, plant and equipment	1,528,777	1,144,739	1,285,460	912,842	847,111	823,690	787,405
Statutory deposit	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Deferred tax asset	-	-	-	-	-	6,033	6,033
Total assets	20,783,594	15,773,286	20,612,720	15,592,748	11,793,817	10,103,943	10,022,681
Insurance contract liabilities	12,013,192	8,634,729	11,896,308	8,502,983	4,357,401	2,568,553	2,851,085
Investment contract liabilities	479,218	450,535	479,218	450,535	452,023	454,936	619,394
Trade Payables	9,781	9,781	9,781	9,781	9,781	10,260	33,758
Gratuity payable	1,722	1,722	1,722	1,722	1,722	2,406	2,406
Provisions and other payables	1,150,157	1,162,806	1,131,047	1,145,230	927,260	885,724	518,115
Lease Liability	35,874	31,195	35,874	31,195	27,133	-	-
Short term Borrowings	-	-	-	-	-	-	-
Deferred tax liabilities	626,077	318,840	620,405	304,208	251,162	121,480	6,371
Current income tax liabilities	55,486	139,654	50,027	133,408	189,821	184,568	145,870
Total liabilities	14,371,507	10,749,262	14,224,382	10,579,062	6,233,611	4,250,522	4,176,999
Net assets	6,412,087	5,024,024	6,388,338	5,013,686	5,560,206	5,853,421	5,845,682
Financed by:							
Issued and paid up capital	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742	1,913,742
Share premium	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664	3,110,664
Contingency reserve	1,415,256	1,244,966	1,415,256	1,244,966	1,045,406	965,952	858,105
Retained losses	(1,455,992)	(2,352,146)	(1,347,578)	(2,246,456)	(1,328,602)	(900,477)	(604,979)
Fair value reserve	380,461	372,405	380,461	372,405	231,026	187,470	
Assets revaluation reserve	998,219	689,461	915,793	618,365	587,970	576,070	568,150
NCI	49,737	44,932	-	-	-	-	-
Shareholders' fund	6,412,087	5,024,024	6,388,337	5,013,686	5,560,206	5,853,421	5,845,682
Statement of comprehensive income							
Gross premium written	8,605,957	7,379,932	8,368,607	7,164,075	5,283,517	3,288,502	2,876,620
Investment & other income	696,515	470,676	687,155	465,759	463,811	463,811	581,816
Profit/(loss) before taxation	1,279,814	(728,889)	1,278,136	(674,717)	(210,387)	(9,893)	450,494
Taxation	(205,102)	(40,510)	(204,250)	(40,019)	(132,793)	(164,623)	(43,870)
Profit/(loss) after taxation	1,069,313	(773,441)	1,069,168	(718,287)	(348,671)	(174,516)	406,624
Earnings per share-basic	28	(20)	28	(19)	(9)	(5)	11
Earnings per share-diluted	28	(20)	28	(19)	(9)	(5)	11