ROYAL EXCHANGE
General Insurance

SERVICE EXCELLENCE.

Our Renewed Commitment

Annual Report
& Accounts 2022

Smart AGRIC™

ROYAL EXCHANGE General

Control your farm risk with

CLIMATE CHANGE CROP PROTECTION

INDEX INSURANCE

CROP CYCLE:

GERMINATION	VEGETATIVE & FLOWERING	MATURITY

PERILS COVERED:

No rains/dry spells	Low Vegetation	Excess Rainfall

Nigerian farmers are very skilled at managing their risks. However, some risks are difficult to control, like extreme weather events. Royal Exchange's Climate Change Insurance helps farmers manage their risks better and create a more resilient farm business.

For more details and enquiry, kindly contact:

AbdulAzeez Ajibola
Head, Agribusiness
Tel: 09032776985

Michael Shaibu
Agric Marketing North
Tel: 08032122649

Dr. Olayemi Bamigbade
Agric Marketing Lagos
Tel: 09032376152

John Aladeyoyinbo
Agric Marketing SouthWest
08032127487

Email: general@royalexchangeinsurance.com

www.royalexchangeinsurance.com

TABLE OF CONTENTS

SHAREHOLDER RELATIONS

5 – 8

GOVERNANCE

10 – 32

FINANCIALS

36 – 76

OTHER NATIONAL DISCLOSURES

157 – 164

VALUES

Integrity
Customer-Focused
Innovation
Teamwork

MISSION

"To be a trusted and innovative provider of insurance and risk management services to our customers".

VISION

"To attain and maintain leadership in terms of profitability and excellent services and to be one of the best places to work".

Corporate **Information**

Registered office
New Africa House
31, Marina Lagos, Nigeria

Operations Office
34-36 Oshodi/Apapa
Expressway, Oshodi, Lagos

General Counsel/ Company Secretary
Ms. Sheila Ezeuko
FRC/2013/NBA/000000004059

Company Registration Number
RC: 725727

Directors

Mr. Ike Chioke	Chairman/Independent Director
Alhaji Rabi'u Gwarzo OON	Non-executive Director
Mr. Nnamdi Oragwu	Non-Executive Director
Mr. Ernesto Costa	Non-Executive Director
Mr. Adeyemo Adejumo	Non-Executive Director
Mr. Mehdi Gharbi	Non-Executive Director
Mr. Owolabi Salami	Non-Executive Director
Ms. Isioma Ogodazi	Non-Executive Director
Mr. Lotfi Baccouche	Independent Director
Mrs. Ebelechukwu Nwachukwu	Managing Director/Chief Executive Officer
Mrs. Jane Ekomwereren	Executive Director (Technical)
Mr. Oyetunji Oshiyoye	Executive Director (Business Development)

Reinsurers
Nigerian Reinsurance Corporation
Africa Reinsurance Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation
Swiss Reinsurance Corporation
Zep Reinsurance
Global Reinsurance
NCAE Reinsurance
Kenya Reinsurance
Aveni Reinsurance
Score Reinsurance
Capsicum Reinsurance

Auditors
Deloitte & Touche
Civic Towers,
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria

Preparation of financial statements supervised by:
Mr. Uyi Osagie

Bankers
Access Bank Plc
Union Bank Plc
Guaranty Trust Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
Sterling Bank Plc
Royal Exchange Microfinance Bank Limited
Fidelity Bank Plc
Ecobank Nigeria Plc
Heritage Bank Plc
Zenith Bank Plc
Stanbic IBTC Bank Plc
Jubilee Life Mortgage Bank
United Bank For Africa Plc
Polaris Bank Limited
Wema Bank Plc

Actuary
Ernst & Young
FRC /NAS/00000000738
- Appointed : Effective October 17, 2019

Corporate **Profile**

The parent Company started operations in Nigeria represented by Barclays Bank DCO in 1918. A branch of the then parent Company, Royal Exchange Assurance, London, (REA), was established in Lagos on February 28, 1921.

Originally established for marine business, REA expanded within a year to include fire and life insurance, thereby becoming Britain's first composite insurer. The establishment of the branch in Nigeria was the result of the expansion drive of REA in the early 20th century. Pursuant to Section 396(2) of the then Companies Act of 1968, the Company was, on December 29, 1969, reconstituted and incorporated as a Private Limited Liability Company, the Royal Exchange Assurance (Nigeria) Limited.

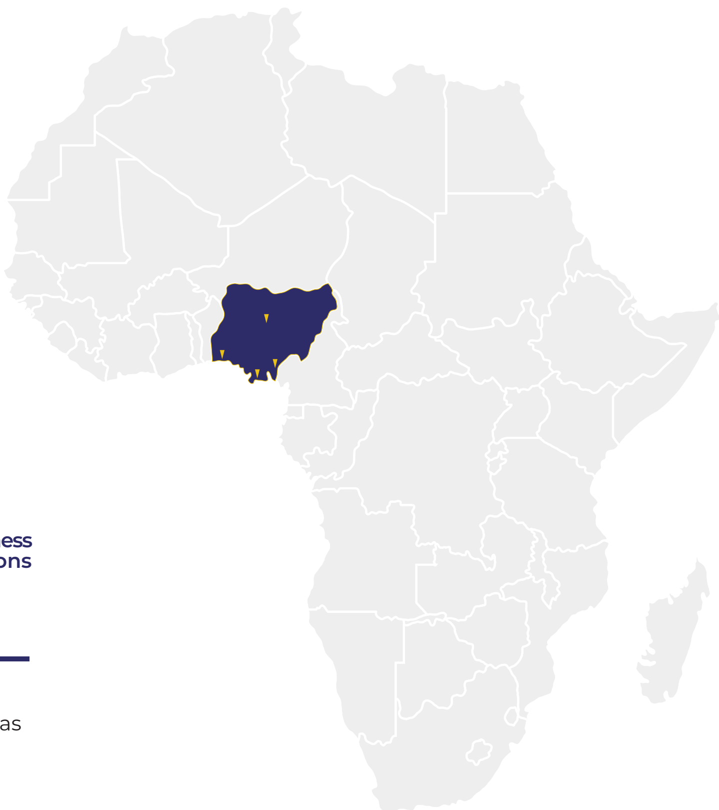
Following the NAICOM directives on recapitalization of insurance companies in 2006 and the creation of the Group Holding Company which led to the demerging of the insurance subsidiaries, Royal Exchange General Insurance Company was incorporated and birthed in 2007 following the Company's election to split its operations into Life and General Businesses during the 2007 recapitalization exercise. Upon this decision Royal Exchange General Insurance Company Limited ("REGIC") was adopted as the name to underwrite general insurance business.

Royal Exchange General Insurance Company Limited has one of the largest branch networks in its sector with 11 branches nationwide and 4 Business Regions. The Company enjoys long dated relationships with local and international reinsurers and is one of the few Insurance Companies in Nigeria that has an Oil and Gas treaty to enable it to position itself for active participation in the emerging domestication of Oil and Gas risks underwriting due to the Local Content Policy of the Federal Government of Nigeria.

Royal Exchange General Insurance Company Limited has a share capital of N10,046,511,573 made up of 10,046,511,573 ordinary shares of N1 each. As at December 31, 2022, the shareholders' funds stands at N14.2bn with total assets of N32.2bn

REGIC is a strong brand in the insurance sector, highly rated within the industry for experience in minimizing risks and paying claims, among other virtues. The Company would continue to ensure its relevance in the environment in which it operates by reinventing itself continuously, refreshing its strong brand with emphasis on experience and competence.

Royal Exchange General Insurance Company Limited has one of the largest branch networks in its sector with 11 branches nationwide and 4 Business Regions.

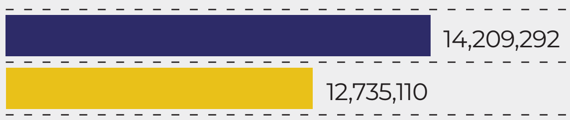


Results At A **Glance**

For the year ended 31 December, 2022

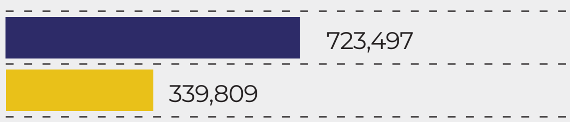
In thousands of Naira	31-Dec-22 N000	31-Dec-21 N000
Gross written premium	**14,209,292**	**12,735,110**
Profit before taxation	**723,497**	**339,809**
Income taxes	**55,760**	**(90,113)**
Profit after taxation	**779,257**	**249,696**
Transfer to contingency reserve	**(426,279)**	**(382, 053)**
Transfer from retained earnings	**352,978**	**(132,357)**

Gross written premium

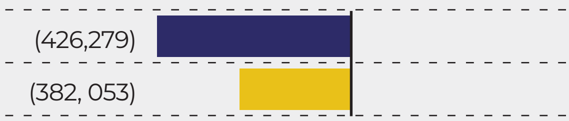


Profit after taxation

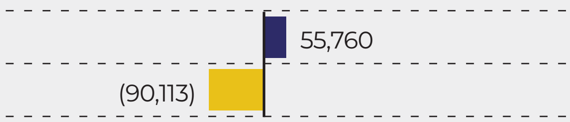
Profit before taxation



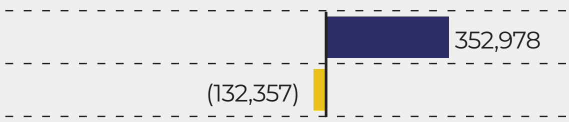
Transfer to contingency reserve



Income taxes



Transfer from retained earnings



Notice Of **Annual General Meeting**

NOTICE is hereby given that the **15th Annual General Meeting** of **ROYAL EXCHANGE GENERAL INSURANCE COMPANY LIMITED** will be held at the **Apapa Meeting Room - Radisson Blu Hotels, Ozumba Mbadiwe Street, Victoria Island, Lagos** on **Friday, May 26, 2023 at 11.00am** to consider and transact the following businesses:

ORDINARY BUSINESS:

1. To lay before the meeting, the Audited Accounts of the Company for the year ended December 31, 2022 together with the Report of the Directors and Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To re-elect Two (2) directors.
4. To approve the remuneration of the directors.
5. To authorize the directors to appoint and fix the remuneration of the External Auditors.
6. To appoint members of the Audit Committee.

SPECIAL BUSINESS:

Re-appointment of Directors over Seventy (70) years

1. To re-appoint Alhaji Rabiu Gwarzo OON as a director having attained the age of 70 years in accordance with Section 278 (1) of the Companies and Allied Matters Act LFN 2020.
2. To re-appoint Mr. Adeyemo Adejumo having attained the age of 70 years, as a director of the Company pursuant to Section 278 (1) of the Companies and Allied Matters Act LFN 2020.

BY ORDER OF THE BOARD

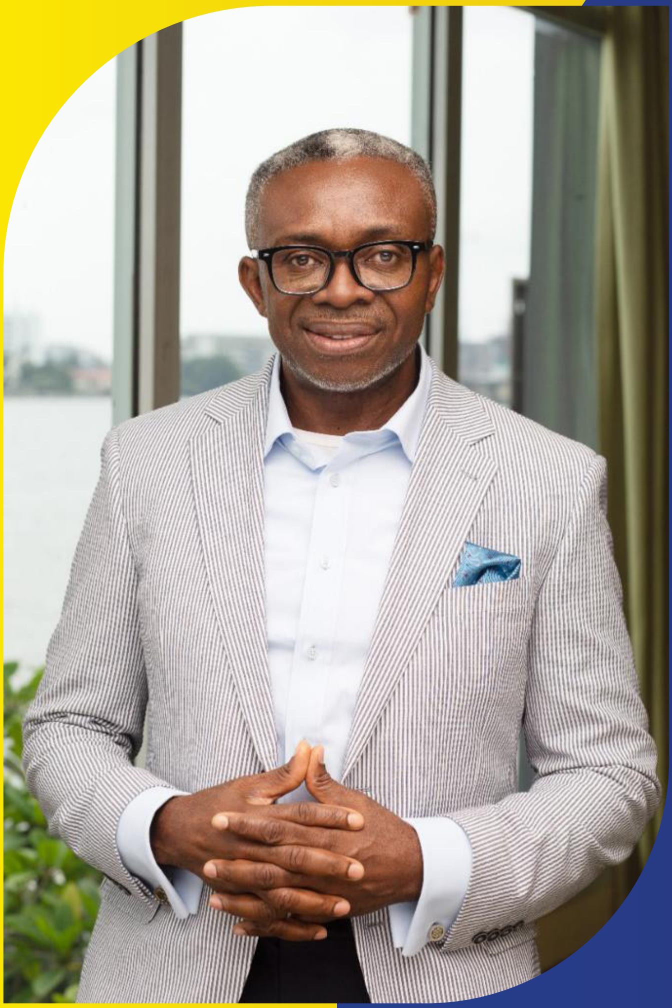
SHEILA EZEUKO ACIS, MIoD
General Counsel & Company Secretary

Registered Office Address
New Africa House
31, Marina, Lagos

March 16, 2023.


Weather for two should be used to multiply
The rainy season is fast approaching. Too much rain or too little? Enough or not enough sunshine?
Questions abound, but with our vast Agric Insurance portfolio there's little to worry about.
ROYAL EXCHANGE
General Insurance
HYBRID MULTI-CROP PERIL INDEMNITY INDEX INSURANCE
Protects against loss of crop yield
WEATHER INDEX INSURANCE
Protects against weather-induced losses
INDEX BASED LIVESTOCK INSURANCE
Protects from drought-related livestock losses
MULTI-PERIL CROP INDEMNITY INSURANCE
Protects against a variety of weather-induced crop losses

Chairman's
Statement



Distinguished Shareholders,

Introduction

It gives me immense pleasure to welcome you to the 15th Annual General Meeting of your company and present to you the Annual Report and Accounts for the year ended December 31, 2022. I also extend a warm welcome to the directors and other stakeholders who are participating virtually through our online platforms.

Ike Chioke

> we carried on with consolidating our plans and strategy and deploying resources to ensure we remain on the right path towards growth and profitability.

Our total assets grew to

₦32.3b

The net claims paid in 2022 was

₦1.97b

Let me begin by sincerely thanking you all for your unflinching dedication, which has enabled the company's continuous ascent to the top tier of the nation's insurance industry. Since our last Annual General Meeting, the company has recorded significant improvements in all areas of its operations. I thank you for your commitment to the company's progress and development.

During 2022, we commenced the implementation of several key strategic initiatives. As this was the second year of our 5-year strategic journey, we carried on with consolidating our plans and strategies and deploying resources to ensure we remain on the right path towards growth and profitability. The Board made some key appointments to strengthen the leadership team, notably the appointment of Mrs. Ebelechukwu Nwachukwu as our new Managing Director. This comes after Mr. Benjamin Agili proceeded to retirement after 7 years of meritorious service. Mrs. Nwachukwu is an experienced and respected professional in the insurance industry, and we are confident that she will bring the breadth of her credentials and relationships to bear on the leadership of the company. I urge you to give her all the support she will require as she takes on this new role.

Business Environment

Nigeria's growth momentum slowed to 3.1% in 2022, against the 3.4% recorded in the prior year, as economic recovery continued despite persistent structural challenges, policy mismatches, and negative externalities. The 2022 Fiscal year GDP growth was driven mainly by the resilience of the non-oil sector, which grew by 4.8%, while the dismal performance of the oil sector extended for the eleventh successive quarter with a negative growth of 19.2%. Consequently, the contribution of the oil sector to the overall economy fell to a record low of 5.7% in 2022, a reflection of the dwindling oil production as average crude oil production fell 14.4% to 1.37 mbpd in 2022). Capital inflows declined by 20.5% to 5.3 billion dollars in 2022 consequently.

With the oil sector accounting for approximately 80.0% of foreign exchange earnings and contributing to the Federal Government's finances, the sector's lacklustre performance in 2022 negatively impacted fiscal performance. By November 2022, revenue from crude oil stood at ₦586.7 billion, underperforming its pro-rata budget of ₦1.6 trillion by 64.3%. Although non-oil revenue during the same period was strong at ₦2.1 trillion (overperforming the pro-rata budget by 23.3%), the Federal Government recorded a fiscal deficit of ₦ 6.4 trillion, with the fiscal year 2022 deficit estimated at ₦8.2 trillion. Accordingly, Nigeria's debt profile advanced 16.9% to ₦46.3 trillion, while the debt service-to-revenue ratio notched up to 80.7%.

For households and businesses, major economic pressure points intensified in 2022 as average inflation rose to 18.8% (2021: 17.0%) due to high food and energy prices, the parallel market exchange rate advanced 31.0% to

₦740.00/$1.00 following weak capital inflows. Meanwhile, the average maximum lending rate climbed to 28.0% on the back of five successive interest rate hikes by the CBN to curb runaway inflation.

Notwithstanding, the domestic economy recorded a few positives in 2022. The CBN launched the RT200 FX Programme, aimed at realising US$200.0bn in foreign exchange repatriation exclusively from non-oil exports over the next 3-5 years. The programme is expected to incentivize the private sector to participate in foreign exchange-yielding export-promoting ventures across the value chain and encourage exporters to repatriate foreign exchange proceeds. In addition, the 100-for-100 Policy on Production and Productivity was introduced by the CBN to drive an increase in the productivity of non-oil exporters through selective funding of high-impact 100 businesses on a 100-day rollover basis.

Operating Results

As stated earlier, 2022 was characterised by high inflation and slow economic growth with far-reaching implications across many economic sectors. Notwithstanding the challenges, your company was able to leverage the inherent opportunities within the business environment to record an impressive performance.

Our operating results in 2022 shows a respectable growth of 11.6% in our Gross Premium Written from ₦12.7 billion in the previous year to ₦14.2 billion. However, the net claims paid in 2022 rose 74.5% to ₦1.97 billion from ₦1.13 billion paid in 2021. Nonetheless, we made an underwriting profit of ₦1.82 billion in 2022 as against ₦1.71 billion achieved in 2021 which shows a marginal growth of 6.4%. Our investment income grew by over 100%, from ₦749.0 million to ₦1.6 billion in 2022. With regards to our profit before tax, we recorded ₦723.4million as against ₦339.8 million achieved in 2021, a growth of 113.3%.

Finally, the company closed the year 2022 with a profit-after-tax of ₦779.3 million, exceeding our 2021 performance by over 212.9%. By the end of 2022, our total assets and total equity grew from ₦31.5 billion in 2021 to ₦32.3 billion, and from ₦13.4 billion in 2021 to ₦13.9 billion, respectively.

Future Outlook

Each time we gather for this annual general meeting, we bear witness to the enduring strength of our leadership. We affirm the purposefulness of our workforce. We prove that what propels this ship is not the height of our office buildings or title behind our names. What makes us thrive is our allegiance to the collective mission "to be a TRUSTED and INNOVATIVE provider of insurance and risk management services to our customers."

Looking at the improvements and growth recorded in all areas of our operations so far, I can boldly say that better days are ahead. With the new leadership in place, we remain confident in delivering on the promise of our strategic intent by 2025. Already, we have begun investing in people, facilities, and ICT infrastructures to deepen market penetration in the direct and retail market segments as well as the agricultural sector, differentiate our product offerings, and leverage market insights for strategy and decision making.

We are hopeful that in a few years, the brand will become more visible across all the market segments, and our results will position us as a very profitable enterprise in the industry that will also contribute positively to social development and environmental sustainability initiatives through a well-planned CSR programme.

The Board will continue to provide effective oversight and support to the management team to ensure our corporate governance framework remains strong for efficient management of our risk exposures for business continuity and profitability of the company both in the immediate and long term. Please be rest assured that your company has been set on the path of growth and profitability, and it will regain and maintain a clear leadership position in the industry in terms of profitability.

On behalf of the Board, I extend my thanks to all the people who have built the company into what it is today and to all our stakeholders for your continued support. Ladies and gentlemen, I welcome you to the 2023 financial year with the unwavering assurance of continued improved performance.

Thank you.

Ike Chioke
Chairman, Board of Directors


Stay on mother nature's good side
Hedge against life's uncertainties by exploring Royal Exchange's vast insurance portfolio this farming season.
ROYAL EXCHANGE
General Insurance
HYBRID MULTI-CROP PERIL INDEMNITY INDEX INSURANCE
Protects against loss of crop yield
WEATHER INDEX INSURANCE
Protects against weather-induced losses
INDEX BASED LIVESTOCK INSURANCE
Protects from drought-related livestock losses
MULTI-PERIL CROP INDEMNITY INSURANCE
Protects against a variety of weather-induced crop losses

Managing Director's
Statement

The Chairman, Directors, Shareholders, Management, my colleagues, the National Insurance Commission here represented, Auditors and our friends in the media. I am delighted to be part of this 15th Annual General Meeting as the Chief Executive Officer of this great company. I will be presenting to you the company's performance for the year ended 31st December 2022, the key highlights of the economic environment during the year as well as plans to quickly turn around the fortunes of the company in the short and long-term.

Ebelechukwu Nwachukwu

> Despite the increase in the claims settled during the year, we recorded a 7% increase in underwriting profit from N1.71 billion in 2021 to N1.82 billion in 2022.

increase in gross premium from 2021-2022

12%

Total Asset Base Growth 2022

3%

2022 in Review

In 2022, the country witnessed huge and rapid fluctuation in foreign exchange rates throughout the year and this negatively impacted on business operations in the country. Sourcing of foreign currencies for imports was a huge challenge. During the year, the Naira devaluated both in the open and parallel markets. As at December 30, 2022, the Naira closed at N461.5/$1 as against N435/$1 at the beginning of the year in the open market while in the parallel market, the exchange rate hovered around N561/$1 and N570/$1 at the beginning of the year and stood at N735/$1 by year end.

Inflation

As at the close of 2022, the inflation rate remained high – increasing to 21.34% from 15.60% in January. The economy witnessed general increases in price levels across all consumer product and services. The major factors for the high inflation rate during the year included, current depreciation against the major foreign currencies as well as increase in fuel cost due to scarcity and issues around the planned subsidy removal. For us in the insurance business, this general increase in the prices of goods and services impacted heavily on our operations in terms of increased administrative and claim expenses.

Gross Domestic Product:

Nigeria's real Gross Domestic Product (GDP) stood at N21.04 trillion in Q4 2022.The economy was largely driven by the non-oil sector which accounted for 95.66% of growth while the oil sector contributed 4.34%. The GDP growth rate in Q4 dropped to 3.1% from the 3.4% as recorded in 2021.

However, despite the drop in the overall GDP, the agriculture sector grew by 2.05% by the end of the year. The sector's performance was significantly hindered by several cases of severe flooding experienced in most parts of the country, and this accounted for reduction in growth compared to that of Q4 2021 which stood at 3.58%.

The GDP performance in Q4 2022 was mainly driven by the services sector, which recorded a growth of 5.69% and contributed 56.3% to the overall GDP for the year.

The industry sector recorded a negative growth of -0.94% and contributed less to the aggregate GDP. The manufacturing sector achieved 8.4% to real GDP but this was lower than 8.59% in Q3 and 8.46% in the corresponding quarter in 2021. Trade's contribution to nominal GDP stood at 13.2% in Q4, which was higher than the 12.45% achieved in the preceding quarter. The information and communication technology (ICT) sector contributed 16.2% to growth in Q4, higher than the 15.35% recorded in the preceding quarter and 15.21% in Q4 2021. This sector contributed 16.5% to GDP in 2022, above the 15.5% reported in 2021.

Government Expenditure

As at Q4 2022, FG revenue generated N10.1 trillion as against the target of N10.44 trillion the highest in history. The government projected total expenditure of N17.126 trillion with a projected deficit of N8.17 trillion for 2022. The actual expenditure of N12.87 trillion was made as at the end of November 2022.

Unemployment

The unemployment remained high at an estimated rate of 33.3% by the end of the year in review. This means that about one in four Nigerians is unemployed. That is a very high unemployment rate, which means that many people in the country cannot find work. This is mainly because the country has a very large population and the economy is not doing well. Nigeria's economy has been in a recession for the past few years, making it difficult for businesses to create new jobs. Many businesses also had to reduce their workforce or shut down.

Foreign Reserves

Nigeria's foreign reserve fell by $3.43 billion to close at $37.1 billion at the end of 2022 compared to $40.52 billion at the beginning of the year. The reduction was attributed to the withdrawals of forex from foreign reserves by the Central Bank of Nigeria to strengthen the Naira at the exchange market and also to aid commercial banks meet forex request of their customers for BTA/PTA, oversea school fees and medical expenses. However, the amount of forex in the banks were not sufficient to meet the users' needs, thereby forcing them to approach the black market for FX at higher rates.

> As at Q4 2022, FG revenue generated N10.1 trillion as against the target of N10.44 trillion the highest in history. The government projected total expenditure of N17.126 trillion with a projected deficit of N8.17 trillion for 2022. The actual expenditure of N12.87 trillion was made as at the end of November 2022.

Insecurity

The level of insecurity in 2022 was at an all time high and this was heightened by banditry, kidnapping and insurgency in many parts of the country. Prominent cases were the deadly attack of the Nigerian Railway Corporation (Abuja - Kaduna train attack), the Kuje Prison attack and others. In the 2021 Global Peace Index released in 2022, Nigeria was ranked 146 out of 163 countries only better than countries like Iraq, Syria, Libya, Afghanistan, Sudan, Somalia, Yemen and Russia.

Infrastructure challenges

The level and quality of infrastructure in the country is low as the country ranked 132 out of 137 for infrastructure in the Global Competitive Index.

The World Bank reports that it will take 4% of the country's GDP yearly to close the infrastructure gap as it is estimated that $3 trillion will be spent over the next 30 years to achieve it. Other challenging areas include education, healthcare and water supply. This has increased household spending, thereby reducing the disposable income of households that would have been available for insurance.

Corporate Performance Report

Despite the very challenging operating environment during the year 2022 we achieved 12% increase in our gross premium from N12.7 billion achieved in 2021 to N14.2 billion. However, our management expenses rose by 28% from N2.3 billion in 2021 to N2.9 billion during the year in review as we commenced the implementation of major strategic initiatives in line with our strategic plan to drive growth and transform the business.

From our technical operations, our net claim expenses rose by 75% to N1.97 billion in 2022 from a figure of N1.13 billion in 2021. This rise in claim expenses was caused by a few major fire and oil & gas claims some of which occurred in the previous years but paid in 2022. The overall claim ratio stood at 19.89% - one of the best in the industry. Our claim reinsurance recoveries were good. Despite the increase in the claims settled during the year, we recorded a 7% increase in underwriting profit from N1.71 billion in 2021 to N1.82 billion in 2022.

> we achieved 12% increase in our gross premium from N12.7 billion achieved in 2021 to N14.2 billion.

The investment income of N1.58 billion was achieved in 2022 compared to N749 million recorded in 2021 indicating a 111% growth. The company's profit-before-tax (PBT) recorded in 2022 increased to N723.4million as against N339.8 million achieved in 2021. In the same vein, the profit-after-tax (PAT) also increased to N779.2 million as against N249.6 million achieved in 2021.

In terms of asset base, the company achieved a 3% growth in its total asset base from N31.5 billion in 2021 to N32.3 billion. We recorded a 4% increase from N13.4 bn in 2021 to N14.2bn in the company's total equity as at the end of 2022.

Our Transformation Agenda

Over the next 7 to 8 months, the insurance market in Nigeria will witness a great rebound of our brand. With the approval of the transformation budget and full support of the Board, we are ready to launch bold and strategic initiatives that will enhance our service delivery, reposition our brand, improve its visibility as well as empower our people to ensure we take back lost grounds and bring back the confidence of customers and prospects. Our digital transformation project has reached very advanced level. In the next 12 months, all our processes and functions will be fully tech-driven and our customers will be able to engage us digitally from any where in the world without hitches. We will innovate and lead across key market segments. In executing all our plans, we will ensure we operate within all regulatory boundaries.

Conclusion

I appreciate the Board for the opportunity to lead this Company at this time, to drive the implementation of the mid-term strategic plan and to also assure you of the commitment and determination of my team to meet the expectations of the shareholders. We are confident that by the time we meet at the next Annual General Meeting, we will have a better result to show.

Thank you.

Ebelechukwu Nwachukwu
Managing Director/ Chief Executive Officer

Report of Corporate Governance

INTRODUCTION

The dynamics of the business environment requires proactive strategic corporate and business initiatives to drive the enterprise. Digitization is at the heart of modern enterprise and comes with its inherent challenges, requiring businesses to evolve and maintain effective corporate governance structure, failing which spells doom for the organization. Therefore, motivation of value-maximizing decisions, the protection of assets from unauthorized acquisition, use or disposition, and the production of proper financial statements are the drivers of REGIC's corporate governance architecture.

The Company believes its business strategic initiatives cannot be achieved without an effective corporate governance structure. In view of this, the Company continues to develop modern corporate governance techniques with a view to embedding and promoting the culture of structured authority, balanced responsibility and accountability which it believes in the long term, will help to promote its corporate and business strategy and deliver the long-term success to stakeholders at all levels.

Governance Culture

To ensure the Company stays faithful to its commitment as a responsible corporate entity with accountability to all its stakeholders, the Company annually exposes the board members to corporate governance trainings and maintains the culture of an annual board appraisal system to ensure the board is alive to its responsibilities. Similarly, the Company imposes both standards of conduct at all levels and appropriate procedures for internal controls in order to maximize opportunities and effectively identify and manage potential risks. Thus, there is a deliberate consciousness to maintain effective corporate governance in the organization. The corporate governance architecture is periodically reviewed for improvement and ensuring that it is in line with best practices of corporate governance system. REGIC's governance structure is designed to guarantee the right of and equitable treatment of shareholders and other stakeholders. At the head of this structure is the board of directors which is comprised of Twelve (12) members, including the Chairman, Eight (8) Non-Executive Directors, two (2) Executive Directors and two (2) Independent Directors.

The Board of Directors

The Board of Directors is the principal driver of strategic affairs and corporate governance of the Company and has overall oversight responsibility for ensuring that the tenets of good corporate governance are adhered to. The Board is headed by the Chairman.

The Board appoints committees to help carry out its duties. Given the separation of roles of the Chairman and the Chief Executive Officer (CEO), the Board appoints Non-Executive Directors as chairmen of Board committees. Board committees work on key issues in greater details than would be possible at full Board meetings, which helps to ensure more effective full Board meetings. Each Board committee reviews the results of its meeting with the full Board. All the current Non-Executive Directors served on the Board throughout 2022.

The Company Secretary

The Company Secretary is the gate keeper of the organization and is responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors. She consults regularly with Directors to ensure that they receive required information promptly. She is the custodian of all corporate information and history of the Company. She engages and interfaces with shareholders and stakeholders of the Company. She protects the corporate image of the Company. She maintains a professional relationship with the regulators.

Non-Executive Directors (NED)

The Non-Executive Directors' (NED) roles are limited to contributing to strategic decision making.

Executive Directors (EDs)

The Executive Directors' appointments are based on contractual agreements and may be renewed subject to a satisfactory annual performance evaluation. The maximum tenure of an Executive Director might be two (2) terms.

Separation of Roles and Responsibility

There is a separation of roles and responsibility of the Chairman of the Board and the Managing Director of the Company.

Board Meetings and Attendance

The board meetings are scheduled quarterly. In the year under review, the board met four (4) times as well as had two (2) emergency meetings with an attendance rate of 100%.

S/NO	Board Meeting Attendance Directors Expected Meetings 4 Actual Meetings 4	Status	Designation	Attendance	Attendance %
1	Mr. Ike Chioke	Non-Executive	Chairman	4	100%
2	Mr. Lotfi Baccouche	Non-Executive	Member	4	100%
3	Alh. Rabiu Gwarzo, OON	Non-Executive	Member	4	100%
4	Mr. Nnamdi Oragwu	Non-Executive	Member	4	100%
5	Ms. Isioma Ogodazi	Non-Executive	Member	4	100%
6	Mr. Ernesto Costa	Non-Executive	Member	4	100%
7	Mr. Adeyemo Adejumo	Non-Executive	Member	4	100%
8	Mr. Mehdi Gharbi	Non-Executive	Member	4	100%
9	Mr. Owolabi Salami	Non-Executive	Member	4	100%
10	Mr. Benjamin Agili	Managing Director	Member	4	100%
11	Mrs. Ebelechukwu Nwachukwu	Managing Director	Member	1	25%*
12	Mrs. Jane Ekomwereren	Executive Director (Technical)	Member	4	100%
13	Mr. Oyetunji Oshiyoye	Executive Director (Business Development)	Member	4	100%

* *Mrs. Ebelechukwu Nwachukwu was appointed as the Managing Director/Chief Executive Officer effective December 12, 2022.*

Board Committees

The Committees provide recommendations on matters to the main board. There are four (4) committees established to maintain oversight on the business strategy of the Company. Each committee has its defined charter which embodies its guiding principles and sets out its composition, functions, responsibilities and scope of authority.

Record of Committee meetings are kept and extracts of the major issues are raised and reported at the full board meetings for deeper consideration, resolution and directives.

The following are the Board Committees:

a) Establishment & Governance Committee
b) Audit & Compliance Committee
c) Enterprise Risk Management & Strategy Committee
d) Finance, Investment & General Purposes Committee

Establishment & Governance (EGC)

The Committee is responsible for determining the remuneration of the executive and non-executive members of the Board, nominations for approval of the Board candidates to fill Board vacancies and for the continuous review of senior management succession plans and remunerations.

Audit & Compliance (A&C)

The Committee serves as a focal point for the communication and oversight regarding Financial Accounting Reporting. It is responsible for reviewing the standards of internal control, including the activities, plans, organization and quality of internal audit.

Enterprise Risk Management & Strategy (ERM)

The Committee is responsible for overseeing, setting and reviewing the risk governance framework, including risk management and control, risk policies and their implementation as well as the risk strategy and monitoring of operational risks. The Committee is also responsible for the development, articulation and execution of the Company's long term strategic plan on the one hand, and advisory oversight responsibilities relating to potential mergers, acquisitions and other key strategic transactions outside the ordinary course of the Company's business.

Finance, Investment & General Purposes (FIGP)

The Committee is responsible for oversight functions for issues relating to the strategic planning, budgetary process, procurements, corporate finance, resources and assets utilization, capital structure and reporting financial performance of the Company. The Committee also assists the Board in its oversight functions with respect to investment strategies, investment portfolio performance, investment mix and the overall investment performance of the Company.

Code of Business Ethics

To strengthen the Company's zero tolerance for unethical behavior; the Company instituted a whistle blowing policy meant to encourage the reporting without retribution of perceived or real unwholesome unethical behavior in the Company.

Board Performance Evaluation

Appraisal of the performance of the Company's Board was also conducted by independent consultants in compliance with the NAICOM Code of Corporate Governance and their reports were submitted to NAICOM.

The Management Executive Committee (MEC)

The Management Executive Committee (MEC) is headed by the Managing Director and comprises of all the Heads of various Departments.

The MEC is responsible for the implementation of all Board approved strategic initiatives, in other words, it is responsible for the day to day running of the Company, the achievement of all business and operational plans, targets, strategies and objectives within the Company's risk management framework; and the development of advanced reporting procedures to ensure the Board is fully informed at all times.

Monthly strategic business activities and operating environments are discussed at the MEC level where strategic directions are set. The reports cover the financial performances, risk assessments, regulatory activities among others.

To ensure an effective and consistent compliance culture in the Company, the Company Secretary oversees compliance risk and promotes training and best practice implementation in the Company, therefore affirming the Company's commitment to a zero tolerance for regulatory breaches.

Annual General Meeting

In compliance with statutory and regulatory requirements the Annual General Meeting of the Company is held annually and provides the shareholders of the Company or their proxies with an opportunity and direct access to the Executive Management to deliberate and take decisions on the issues affecting the Company. The Annual General Meeting is attended by representatives of regulators, National Insurance Commission (NAICOM) and the External Auditors Messrs. Deloitte & Touché as well as the shareholders.

Communication Policy

The Company ensures that communication and information dissemination regarding the Company's operations to stakeholders and the general public is timely, accurate and continuous. Such information is available on the Company's website, https://:www.royalexchangeinsurance.com

Whistle Blowing Procedures

The Company is committed to the highest standards of ethical, moral and legal business conduct. In line with this commitment and philosophy of open dialogue and communications, the Company established a whistleblower policy which provides protection for any whistleblower who raises concerns in good faith regarding incorrect or inappropriate financial reporting, violation of laws or regulations, possible fraud and corruption and health & safety risks including risks to the public as well as other staff.

Complaints Management

The Company resolves customers' complaints whenever they arise and appreciates feedbacks for business improvement and customer retention strategy. The complaints may be in form of any expression of dissatisfaction, resentment or grievances whether justified or not made by a person or corporate body about any aspect of its operations, services, personnel, policies, shares or dividends. The Company's complaints and feedback structure ensures prompt resolution of customers' complaints. There is a dedicated Complaints Unit apart from our Contact Center responsible for receiving, escalating, ensuring prompt investigation and resolution of customers' complaints within the specified service level agreement (SLA).

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Framework

REGIC is committed to ensuring that its products and services are not used for Money Laundering and Financing of Terrorism and Proliferation of Weapons of Mass Destruction and that, its processes and procedures are in compliance with all applicable Laws and regulations on Money Laundering.

To this end, there is an annual awareness and sensitization training on AML/CFT for the Company's Board members, Management and staff across the nation on money laundering techniques and how to combat it. There is also in place continuous compliance risk assessments and profiling of all our products and customers for effective combating of AML/CFT violations with an enshrined due diligence in place for all our business activities.

Statement of Compliance

Royal Exchange General Insurance Company Ltd. has in place an effective Risk Management, Control and Compliance system and an effective internal audit system committed to ensuring that regulatory guidelines are strictly adhered to.

Notes

During the year, the Company contravened the provisions of paragraph 6.1.1 of the NAICOM's Market Conduct and Business Practices Guidelines for Insurance Institutions in Nigeria 2021 and consequently penalty in the total sum of N2,250,000 was paid

Sheila Ezeuko ACIS, MIoD
General Councel/Company Secretary
Frc/2013/Nba/00000004059
Lagos, Nigeria

March 16, 2023

Risk Management Statement

The Company recognizes that for it to achieve its long-term vision, goals and objectives, it must put in place structures to promptly identify and manage risks that could hinder its ability to deliver its services effectively and efficiently to customers, and all stakeholders.

The Board of Directors through the Board's Enterprise Risk Management & Strategy Committee has continued to perform its oversight role in ensuring that risk management forms and remains a critical part of the company's corporate governance structure to ensure the protection of our shareholders' value while ensuring a full compliance with our ESG guidelines and the impact mandate of the Company, particularly towards the UN SDGs #1 No Poverty, #2 Zero Hunger, #8 Decent Work and Economic Growth, #9 Industry Innovation and Infrastructure, #10 Reduced Inequalities and, #13 Climate Action.

The risk governance structure of the company consists of the Board's Enterprise Risk Management & Strategy Committee, the management's Risk Committee that represents the first line of defense of the organization and the Chief Risk Officer/Head of Enterprise Risk Management who is a key member of the management team and reports also directly to the Board's Enterprise Risk Management & Strategy Committee. The main objective of the Committee's risk oversight responsibility is to ensure the company's key risks are managed within the risk appetite, risk limits and thresholds set by the Board as well as the Regulators. In the course of the year 2022, the Board engaged the management team in various risk issues including review of risk appetite, reinsurance treaty arrangement, risk reports, and stress testing amongst other things. In line with the company's commitment regarding issues of sustainability, the Board approved the engagement of Axa-Climate, a global ESG consulting firm to work with the management of the company to design and implement a robust Environmental, Social and Governance Management Systems (ESGMS) to enable the Company manage effectively and efficient risks relating to climate change, environment, health and safety.

In addition to the stress testing of the potential impact of the external risks on the organization allowing to make sure the company is prepared for external shocks, our risk management philosophy is anchored on an objective and in-depth analysis of risks before decisions or actions are taken; and on the provision of adequate and timely intervention mechanisms necessary to minimize loss or business disruption and to ensure prompt and adequate recovery and business continuity in the event of a risk crystallizing. As part of our determination to build a policy and process-driven and risk conscious organization, the Board also approved the implementation of an ERM Solution to automate and ease the process of risk management, monitoring, reporting and mitigations. This solution, which will be the first of its kind in the Nigerian insurance space, is expected go-live before the end of 2023.

The Enterprise Risk Management & Strategy Committee, with its new composition offers a perfect complementary skill set combining a strong knowledge of the local environment with international expertise in the risk practice and we will continue to work with the Management Risk Committee and the Chief Risk Officer to improve our risk management structures and policies to ensure they remain relevant in ensuring business sustainability and corporate survival in the face of the ever-changing and increasing complexity of risks in our business environment.

The Risk & Strategy Committee had in the year under review performed risk oversight functions diligently and confirms that there were no serious breaches capable of preventing the company from achieving its objectives. We will ensure that adequate provisions are provided to continuously upscale the skills required by the team in managing risk across the enterprise. We therefore declare to the best of our knowledge that the company has put in place a system to ensure compliance with the regulatory guidelines on Risk Management. The Board is satisfied with the efficacy of the company's risk management strategy put in place for managing its risk exposures having considered the size, nature and complexity of the company's operations.

Mehdi Gharbi
Chairman, Enterprise Risk Management
& Strategy Committee
March 16, 2023

Environment & Safety Statement

Our Commitment to Sustainability

The Board of Directors and the Management of Royal Exchange General Insurance is fully committed to building a sustainable, equitable, healthy, and diverse Community through the implementation of a well-designed Environmental, Social and Governance Management Systems (ESGMS) across the Enterprise.

Our ESGMS shall Incorporate all the requirements of International Finance Corporation (IFC) Performance Standard. This commitment shall guide all aspects of our business, including how we design and build new projects, operate our portfolio, and collaborate with both internal and external stakeholders. We recognize the numerous challenges facing the global community, and indeed the humanity, such as climate change, pollution, poverty, inequality, deforestation, wild-life and other engendered species going extinct, gender-related issues, cultural diversity issue, corruption and other governance issues.

As a concerned business enterprise, we are deeply interested in taking steps that can help reduce the negative impact of these challenges (ESG Risks) on our business, our communities, and the environment. The issue of sustainability shall remain at the center stage of our business, and we will embed ESG goals and strategies into the design and implementation of our operations and projects.

The focus for our ESGMS shall include: Our Commitment to Environment: At Royal Exchange General, we shall consider environmental protection, sustainability, and safety in everything we do.

Our environment policy defines the principles, goals, and focal areas of our activities. Its purpose is to ensure environmentally sound and sustainable development of the company in the short and long term and to minimize negative impact on the environment.

As part of our CSR Projects, we support key environmental improvement initiatives in areas such as: Tree-planting, waste management, re-cycling of plastics, minimizing paper usage, etc. As regards Climate Change, we shall sustain all on-going actions aimed at driving down our consumption of fossil energy in order to reduce carbon impacts.

We will ensure our environmental sustainability programs are well designed to deliver efficiency and value for our business both in the short, medium, and long term.

Our Social impact activities mandates us to look after our own people by making our business a fun, exciting, safe, rewarding and one of the best places to work as well as to support the communities in which we operate.

- **Employee Compensation, Engagement & Growth:** We understand that the first step in hiring and retaining the best talent is to create a safe and inspiring workplace where people feel valued. We shall continue to improve on our employee benefits and offer competitive packages to all our employees. Our employees shall enjoy healthcare services, vacation, skills, and personal development trainings that ensures they remain motivated and happy. We will consciously create and maintain an exciting work environment that rewards creativity and teamwork at all levels. Business leaders are encouraged to demonstrate an 'open door policy' to enable subordinates provide feedback during annual performance reviews. We shall conduct regular Employee Satisfaction Surveys and hold periodic Town Hall meetings and other events to enable us engage fully with the workforce. We also aim to promote both personal and professional growth for employees at all levels of the company through annual performance appraisal, role-specific training and offer professional development opportunities.

- **Health and Safety:** We care about the health and safety of our employees, vendors, and customers. Our Health and Safety policy is designed to ensure safety in our work practices, improve labour conditions, and ensure adequate measures are in place against occupational hazards.

- **Diversity and Inclusion:** We welcome and value diversity in all forms in terms of gender, age, ethnicity, or cultural background. We aim to provide equal opportunities in our recruitment process. Our resolve is to develop a community of diverse and talented people of different nationalities working in or providing services to the company. We will ensure the maintenance of a positive and ethical workplace culture, free from all kinds of discrimination and harassment. Equity, fairness, and respect for individuals remain the core of our corporate values. Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the Board and Management levels, where we recognize that diversity strengthens board performance and promotes long-term shareholder value.

- **Community Social Responsibility:** We are setting in motion, a Community Social Responsibility (CSR) plan to provide development support to the communities in which we operate. Our focus in this area shall be on educational support, provision of scholarships, healthcare, and sports development with the primary focus on helping especially the vulnerable groups, such as orphaned or disadvantaged children, the elderly and the physically challenged. We will always give back to the society. We shall pursue and obtain ISO 14001 Certification (Environmental Management) to ensure that we remain aligned to best practice as regards environmental sustainability. In addition, we will aid and encourage our customers and channel partners in implementing solutions that can significantly reduce adverse environmental impact and resource consumption and prevent environmental degradation.

Chairman, Board of Directors
Royal Exchange General Insurance Co. Ltd
Lagos Nigeria.

We've been
paying your claims.
To get you
going again.
It's who we are. It's what we do
That's the REGIC promise
ROYAL EXCHANGE
General Insurance
Property | Motor | Business
general@royalexchangeinsurance.com www.royalexchangeinsurance.com
regic_ltd regicltd @REGIC_LTD 07080606100
NAICOM/CA/ADV/2021/4277

Board of Directors

Mr. Ike
Chioke
Chairman/Independent Director

Alhaji Rabiu
Gwarzo, OON
Non-Executive Director

Mr. Nnamdi
Oragwu
Non-Executive Director

Mr. Ernesto
Costa
Non-Executive Director

Mr. Adeyemo
Adejumo
Non-Executive Director

Mr. Owolabi
Salami
Non-Executive Director

Mr. Mehdi
Gharbi
Non-Executive Director

Ms. Isioma
Ogodazi
Non-Executive Director

Mr. Lotfi
Baccouche
Independent Director

Mrs. Ebelechukwu
Nwachukwu
Managing Director/
Chief Executive Officer

Mrs. Jane
Ekomwereren
Executive Director (Technical)

Mr. Oyetunji
Oshiyoye
Executive Director
(Business Development)

Ms. Sheila
Ezeuko
ACIS, MIoD
Company Secretary/
General Counsel

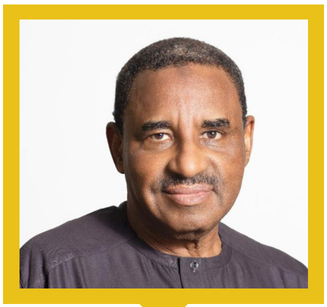
Board of Directors' Profile

Mr. Ike
Chioke
Chairman/Independent Director

Mr. Chioke is the Chairman of the Board with over 30 years of financial advisory experience including 18 years in an executive management role. Mr. Chioke holds a Bachelor of Science in Civil Engineering from the University of Ife now Obafemi Awolowo University Ile-Ife and attended Oxford University as a Rhodes Scholar, where he graduated with an M.Phil in Management Studies.

He is the first Vice President of the Association of Issuing Houses of Nigeria, National Secretary of the Rhodes Scholarships for West Africa, member of the Board of American University of Nigeria, member of the board of ServiPower Company Limited and is currently the Group Managing Director of Afrinvest (West Africa) Limited, a leading wealth advisory firm.

He was appointed as Chairman and Independent Director of the Board on July 29, 2021.



Alhaji Rabiu
Gwarzo, OON
Non-Executive Director

Alhaji Gwarzo is an Associate of the British Society of Commerce. He holds a Certificate in Accounting and Finance for Developing countries from the University of Strathclyde, Glasgow, Scotland Business School and Certificate in Wheat Marketing & Processing from Kansas State University, USA.

He is an Associate of the institute of Industrialists and Corporate Administrators (AIICA) and a Fellow of the Institute of Industrialists and Corporate Administrators (FIIC). He has undertaken several national assignments and is currently on the Board of several publicly quoted and private companies.

He was appointed to the Board on October 17, 2018.

Mr. Nnamdi
Oragwu
Non-Executive Director

Mr. Oragwu obtained a Bachelor of Science in Public Administration from the Enugu State University of Science and Technology, a Bachelor of Law Degree from the University of Benin, Edo State and a Diploma in International Business Organizations from IBA Practice Diploma Program, College of Law (UK). He is a Member of the International Bar Association and the Nigerian Bar Association;

He is also an Associate of the Chartered Taxation Institute.

He was appointed to the Board on July 31, 2017.

Mr. Ernesto
Costa
Non-Executive Director

Mr. Costa obtained a Bachelors of Arts and a Law degree from Universidad Pontificia Comillas. He also has an MBA from IE Business School (Madrid, Spain). He is a Charter holder of the Chartered Financial Analysts Institute (U.S).

He has over thirty years' experience in financial services, having started his career as a financial analyst in Inverbroker (La Caixa) and General Bank and later joined Credit Agricole CIB in 1990 where he worked till 1997 before joining Tillinghast (Towers Watson) as a Senior Consultant. He is presently the Co- Head of Private Equity, Blue Orchard Finance, Zurich, Switzerland.

He was appointed to the Board on October 17, 2019.

Mr. Adeyemo
Adejumo
Non-Executive Director

Mr. Adejumo obtained a B.sc in Biochemistry from the University of Ife, Ile Ife, Osun State and attended the University of Lagos where he obtained an M.B.A. He is an Associate of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria. He has over forty years' experience in insurance and financial services.

He started his career with the National Insurance Corporation of Nigeria and has worked with Continental RE, Equity Life Insurance Company Limited, Great Nigeria Insurance Plc, Zimre-Maputo, Mozambique, Southern Africa, Alliance Capital Stock Brokers and Competent Insurance Brokers.

He held the position of Managing Director at Continental Re Plc for fifteen years and was the former President of the Chartered Insurance Institute of Nigeria.

He was appointed to the Board on October 17, 2019.

Mr. Mehdi
Gharbi
Non-Executive Director

Mr. Gharbi obtained a bachelor's degree in Accounting and Business from the Institut Superieur de Comptabilite et d'Adminstration Entreprises "ISCAE" Tunis and a Chartered Accountant Diploma from the same institution.

He was appointed to the board on July 29, 2021

Mr. Owolabi
Salami
Non-Executive Director

Mr. Salami obtained a Bachelor of Laws from the University of Buckingham, United Kingdom. He is a member of the Chartered institute of Insurance Nigeria and a member of the Chartered Institute United Kingdom.

He is the Chairman of SWAgCo Limited and a member of the Board of Allianz Kenya Plc.

He was appointed to the board on July 29, 2021

Ms. isioma
Ogodazi
Non-Executive Director

Ms. Ogodazi obtained a Bachelor of Arts in Humanities from Bournemouth University, United Kingdom, a Post-Graduate Diploma in Personnel Management from the London School of Economics and a Diploma from the Institute of Personnel Development.

She is a Certified Strength Finders Level I & II Coach, Certified in Accelerated Change Management Implementation, Certified Transformational Coach (CMA) and Certified Training Professional.

She is member of the Advisory Board Children's International School (CIS) and Board Member Lead Securities & Investment Limited.

She was appointed to the board on July 29, 2021.

Mr. Lotfi
Baccouche
Independent Director

Mr. Lotfi obtained a Bachelor of Science in Industrial & Operation Engineering from the University of Michigan, Michigan, USA and a Master of Science in Operations Research & Industrial Engineering from Cornel University of New York, USA.

He is an Independent Director on the Board of Old Mutual-UAP (Kenya). Mr. Lotfi was appointed an Independent Director on the Board on July 29, 2021

Mrs. Ebelechukwu
Nwachukwu

*Managing Director/
Chief Executive Officer*

Mrs. Ebelechukwu Nwachukwu is a graduate of University of Benin, Edo State and obtained her master's degree in Business Administration from the ESUT Business School. She is an Alumni of London Business School (Executive Education); London and The Columbia Business School, New York; and has attended Executive programmes at the Manchester and Lagos Business Schools.

A member of Chartered Insurance Institute of Nigeria (CIIN); Ebele is also a member of the Institute of Directors, Nigeria, (IoD); Chartered Member of the Nigerian institute of Management (NIM) and a member of the Personal Finance Society, United Kingdom.

She was appointed the Managing Director/Chief Executive Officer effective December 12, 2022

Mrs. Jane
Ekomwereren

Executive Director (Technical)

Mrs. Jane Ekomwereren is a graduate from University of Benin and also an Associate of the Chartered Insurance Institute of Nigeria (ACII). She started her insurance career with Equity Indemnity Insurance Co. Ltd in 1993 and joined Royal Exchange in February 2000.

Jane has held various positions in the company and was the Regional Director, Lagos Central, before she was appointed an Executive Director in 2017.

She was appointed on the board on August 09, 2017.

Mr. Oyetunji
Oshiyoye

Executive Director
(Business Development)

Mr. Oshiyoye holds a Bachelor's degree in Applied Geophysics from the University of Lagos, Nigeria and an MBA in Leadership & Business Sustainability from the University of Cumbria, United Kingdom. He is a member of the Chartered Institute of Nigeria and has over 15 years of sales experience.

He was the Chief Customer Officer at Allianz Nigeria. Prior to Allianz, He was Group Head, Retail Sales at ARM Life and Group head, Alternate Channels at AIICO Insurance Plc. He joined Royal Exchange General Insurance Company Limited on January 04, 2022, as Executive Director (Business Development).

Ms. Sheila
Ezeuko ACIS, MIoD

Company Secretary/
General Counsel

Ms. Ezeuko is a graduate of the University of Nigeria, Nsukka, Enugu State. She holds a Bachelor of Arts in History, a Bachelor of Law from the same university, a post graduate certificate (Corporate and Commercial Law) from the University of London, a post graduate certificate of Law (Insurance Law) from the same University and was called to the Nigerian Bar in 1999. She worked in the Chambers of G. E. Ezeuko (SAN) before going into corporate practice.

She served as Company Secretary to General Cotton Mill Limited and also Sosoliso Airlines Limited. She has undergone various management and professional courses. She was appointed Company Secretary of Royal Exchange General Insurance Limited in 2007

She is also an alumna of the Lagos Business School having undergone the Advanced Management Programme (AMP 24). She is an associate member of the Institute of Chartered Arbitrators, Nigeria and member of other professional bodies notably, the International Bar Association and the Nigerian Bar Association.

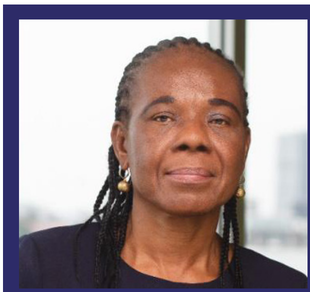
Executive Management Team

Mrs. Ebelechukwu
Nwachukwu
Managing Director/
Chief Executive Officer

Mrs. Ebelechukwu Nwachukwu is a graduate of University of Benin, Edo State and obtained her master's degree in Business Administration from the ESUT Business School. She is an Alumni of London Business School (Executive Education); London and The Columbia Business School, New York; and has attended Executive programmes at the Manchester and Lagos Business Schools.

A member of Chartered Insurance Institute of Nigeria (CIIN); Ebele is also a member of the Institute of Directors, Nigeria, (IoD); Chartered Member of the Nigerian institute of Management (NIM) and a member of the Personal Finance Society, United Kingdom.

She was appointed the Managing Director/Chief Executive Officer effective December 12, 2022



Mrs. Jane
Ekomwereren
Executive Director (Technical)

Mrs. Jane Ekomwereren is a graduate from University of Benin and also an Associate of the Chartered Insurance Institute of Nigeria (ACII). She started her insurance career with Equity Indemnity Insurance Co. Ltd in 1993 and joined Royal Exchange in February 2000.

Jane has held various positions in the company and was the Regional Director, Lagos Central, before she was appointed an Executive Director in 2017.

She was appointed on the board on August 09, 2017.

Mr. Oyetunji
Oshiyoye
Executive Director (Business Development)

Mr. Oshiyoye holds a Bachelor's degree in Applied Geophysics from the University of Lagos, Nigeria and an MBA in Leadership & Business Sustainability from the University of Cumbria, United Kingdom. He is a member of the Chartered Institute of Nigeria and has over 15 years of sales experience. He was the Chief Customer Officer at Allianz Nigeria. Prior to Allianz, He was Group Head, Retail Sales at ARM Life and Group head, Alternate Channels at AIICO Insurance Plc.

He joined Royal Exchange General Insurance Company Limited on January 04, 2022, as Executive Director (Business Development).

Ms. Sheila
Ezeuko ACiS, MIoD
Company Secretary/ General Counsel

Ms. Ezeuko is a graduate of the University of Nigeria, Nsukka, Enugu State. She holds a Bachelor of Arts in History and a Bachelor of Law from the same university and was called to the Nigerian Bar in 1999.

She is currently the General Counsel/Company Secretary/Chief Compliance Officer.

Mr. Uyi
Osagie
Chief Financial Officer

Mr. Uyi Osagie holds a bachelor's degree in Pharmacy from Obafemi Awolowo University, Ile-Ife. He is a Chartered Accountant, Associate member of the Chartered Institute of Taxation of Nigeria, Member of the Chartered Institute of Insurance of Nigeria (CIIN) and an Associate member of the Nigerian Institute of Safety Professionals.

He began his career at KPMG Professional Services (formerly Arthur Anderson) and has over Thirteen (13) years hand-on experience in Consulting, Financial Reporting, Business Strategy Formulation, Investment Management, Treasury Operations, Risk Management, Credit Control, as well as Budgetary Control and Audit Services. His career experience cuts across the Financial Sector including Insurance, Banking, Asset Management, Pension and Real Estate. He joined Royal Exchange General Insurance Company Limited on January 04, 2022, as Chief Finance Officer.

Mr. Tudor **Osademe**

Head, Human Capital Management

Mr. Osademe holds over sixteen years of Consulting & Human Resources experience. He is a Certified Balanced Scorecard Practitioner, Insight Learning Certified Facilitator (Insight Learning Foundation – USA), a CMD Certified Management Trainer, Associate member of Nigeria Institute of Management (NIM) Nigeria and the Chartered Institute of Personnel Management (CIPM) Nigeria. He has a Bachelor's degree in Mathematics and a master's in Business Administration. Prior to joining REGIC, he worked as Head, HR Business Partnering in Heritage Bank Plc, HR Lead for Access Bank Subsidiaries (covering Access bank Ghana, Rwanda, DR Congo, Zambia, Gambia, Sierra Leon & Mozambique), Head Learning & Development Service in Workforce Management Group and Head Learning & Management Education in Institute of Financial Planning (IFP), Lagos. Additionally, he supervised the L & D, Talent & Career Management, and Business Partnering/Recruitment Units of the defunct Diamond Bank. He joined Royal Exchange General Insurance Company as Head, Human Capital Management.

Mr. Ayo F. **Kamoru**

Head, Technical

Mr. Kamoru graduated from University of Lagos where he bagged a Bachelor of Science degree, (BSC Hons) in Insurance. He holds a Master's Degree (M.B.A) in Management and also a Bachelor and Master's degree in Law (LLB, LLM) from the same University. He was called to Nigerian Bar in 2006. He is also an Associate Member of Chartered Insurance Institute of Nigeria. He has over 20 years' experience in the insurance industry and has worked in various capacities which includes underwriting, branch operations and claims. He has attended series of trainings, seminars, and conferences both on insurance and Management. He is currently the Head, Technical Services Division.

Mr. Kola **Yaqub, CFA**

Chief investment Officer

Mr. Yaqub has over a decade of experience in Investment Research, Portfolio/Investment Management, Financial Advisory, Share Registration, Risk Management, Insurance Services, and Accounts & Internal Control Operations. His experience in investment research spans economic and quantitative analysis, financial analysis/modelling, company valuation, capital market, financial due diligence, fixed income analysis, and equity.

He holds a B.Sc. and M.Sc. degrees in Accounting and Finance respectively from the University of Lagos. He is an Associate Member Institute of Chartered Accountants of Nigeria (ACA), the Certified International Investment Analyst (ACIIA), and Chartered Institute of Stockbrokers (ACS). He is also a Chartered Financial Analyst (CFA) having obtained his qualification in 2022.

Kola began his career with Meristem Securities Limited (Investment Bank) in 2008, as an Internal Control Executive and in 2013, he joined Lotus Capital Limited, an Ethical-based Asset Management company, where he managed Halal Funds and Private Clients' portfolios. From there, he joined Custodian Investment Plc in 2014, one of the largest financial conglomerates within the Non-Bank Financial Services sector as Deputy Head, Investment Management, and Strategy. He joined Royal Exchange General Insurance Company as the Chief Investment Officer.

Mr. John **Agbai**

Chief Digital Informaiton Officer

Mr. Agbai has over Seventeen (17) years of work experience with extensive experience in IT Leadership, Planning and Execution, Project Management, Change Management, Business Strategy Design & Implementation, and IT Management/Governance.

He holds a bachelor's degree in Chemical Engineering from Enugu State University of Science & Technology, Enugu, and a Master's Degree in Information Technology from the University of Lagos, Akoka. He is a Microsoft Certified Professional (MCP), Microsoft Certified Solution Developer (MCSD), and Oracle Certified Professional (DBA). He has also attended a couple of local and international training.

Mr. Agbai started his IT career with Loveworld Publications Inc. in 2003, as a Programmer/System Analyst. In 2004, he joined Union Assurance Company Ltd, a subsidiary of Union Bank Group, Nigeria as Information Technology Support Officer and rose through the ranks to become Head IT Operations & Support in 2008.

Subsequently, in 2010, he joined Jsoft Solutions Ltd, an Information Technology solutions company as the Chief Technology Consultant. In this role, he provided leadership and direction for a team of technology consultants, providing both technical and specialist advisory to the various clients of the organization.

In 2014, he left Jsoft Solutions for FBN Insurance Ltd, as a Business Analyst/ Project Manager. Following significant achievements he recorded on the job, he was promoted to the position of Head Information & Communication Technology in FBN General Insurance Ltd. in 2016 before joining the company as Chief Digital Information Officer in June 2021.

Mr. Idongesit **Mbat**

Head, Enterprise Risk Management

Mr. Mbat possesses over 14 years of cognate experience in the Insurance industry covering research, planning, strategy, product development, and risk management.

He holds a B.Sc., in Marketing from the University of Uyo and a Certificate in Market & Social Research from the prestigious Pan Atlantic University, Lagos. He is an Associate of the Chartered Insurance Institute of Marketing and a member of the Chartered Insurance Institute of Nigeria, as well as, an Associate, Institute of Operational Risk, UK.

Idongesit started his Insurance career with Royal Exchange Plc in 2002 and rose to Deputy Manager, Business Planning & Improvement before he moved in 2009 to PHB Insurance as Head, Planning Research & Strategy, and was later appointed Chief Risk Officer.

In 2014, he joined Law Union & Rock Insurance Plc as Head, Research, Strategy & Corporate Communications, from where he moved to Express Delivery Start-up (On-Time Express) in 2016 and then into consulting (Data-Plus). Prior to this, he had worked briefly as Research Executive with GFK, London (Business & Technology Division) in 2013, where he participated in research projects for Blackberry, Nokia, Google, FedEx, Kobo, and Sony Mobile. He joined Royal Exchange General Insurance Company as Head, Enterprise Risk Management and Strategy in July 2020.

Mrs. Bernice **Onyebuchi**

Head, Internal Audit

Mrs. Onyebuchi holds a bachelor's degree in Banking & Finance from Olabisi Onabanjo University, Ogun State. She is a Chartered Accountant, with qualifications from the Association of Chartered Certified Accountants (ACCA) obtained in 2012 and the Institute of Chartered Accountants of Nigeria (ICAN) in 2021.

She started her professional career with Deloitte Nigeria in 2006, rising to become a Manager, Risk Advisory Department. At Deloitte, she coordinated and supervised procurement audits of select Ministries, Departments and Agencies (MDAs) in the public sector and led the team that carried out a special audit and investigation of the ECOWAS Mission in The Gambia.

She joined Royal Exchange General Insurance Company as the Head Internal Audit in March 2022.

Report of **Directors**
For the year ended 31 December, 2022

The Directors are pleased to submit to the Members of the Company their report on the affairs of Royal Exchange General Insurance Company Limited together with the audited financial statements for the year ended December 31, 2022.

1 Legal Form and Principal Activities:

The Company was incorporated as a private limited company on January 16, 2008.
The principal activities of the Company include general insurance underwriting, risk management, insurance claims payment, business acquisition and investment.

2 Results For The Year:

The highlights of the Company's operating results for the year ended 31 December, 2022 are as follows:

For the year ended 31 December	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Gross written premium	14,209,292	12,735,110
Profit before taxation	723,497	339,809
Income taxes	55,760	(90,113)
Profit after taxation	779,257	249,696
Transfer to contingency reserve	(426,279)	(382,053)
Transfer from retained earnings	352,978	(132,357)

3 Directors and Directors' Interest And Shareholding

A Board of 12 (Twelve) Directors determined the general policy of the Company in the year under review

3.1 The Directors of the Company who held office during the year were as follows:

1.	**Mr. Ike Chioke**	Chairman/Independent Director	
2.	**Alhaji Rabiu Gwarzo, OON**	Non - Executive Director	
3.	**Mr. Nnamdi Oragwu**	Non - Executive Director	
4.	**Mr. Ernesto Costa**	Non - Executive Director	
5.	**Mr. Adeyemo Adejumo**	Non - Executive Director	
6.	**Mr. Mehdi Gharbi**	Non - Executive Director	
7.	**Mr. Owolabi Salami**	Non - Executive Director	
8.	**Ms. Isioma Ogodazi**	Non - Executive Director	
9.	**Mr. Lotfi Baccouche**	Independent Director	
10.	**Mrs. Ebelechukwu Nwachukwu**	Managing Director	*(Appointed on December 12, 2022)*
11.	**Mrs. Jane Ekomwereren**	Executive Director	*(Technical)*
12.	**Mr. Oyetunji Oshiyoye**	Executive Director	*(Business Development)*

3.2 Director's interest and shareholding

The Directors did not have any interest in the issued share capital of the company.

3.3 Director's Disclosure

The Directors did not have any interest in contracts with the Company during the year.

The continuous disclosure that Mr. Nnamdi Oragwu is a Partner at Punuka Attorneys and Solicitors, the Company's Legal Retainers.

The continuous disclosure that Mr. Adejumo Adeyemo is a director on the Board of WAICA RE, the Company's Reinsurers.

3.4 Retirement

Mr. Benjamin Agili retired from the employment of the Company and also from the board as a director effective November 30, 2022.

3.5 Appointment, Re-appointment and Re-election of directors

3.5.1 Appointment of directors

The Regulator, the National Insurance Commission approved the appointments of the following directors in the course of the year:

1. Mr. Ike Chioke	Chairman of the Board/Independent Director
2. Mr. Owolabi Salami	Non – Executive Director
3. Ms. Isioma Ogodazi	Non – Executive Director
4. Mrs. Ebelechukwu Nwachukwu	Managing Director/Chief Executive Officer
5. Mr. Oyetunji Oshiyoye	Executive Director Business Development

3.5.2 Re-appointments of directors

a. In accordance with Section 278(1) of the Companies and Allied Matters Act 2020, Alhaji Rabiu M. Gwarzo, OON, having attained the age of 70 years and being eligible, offers himself for re-appointment as a Director by a Special Resolution.

b. In accordance with Section 278(1) of the Companies and Allied Matters Act 2020, Mr. Adeyemo Adejumo having attained the age of 70 years and being eligible, offers himself for re-appointment as a Director by a Special Resolution.

3.5.3 Re-elections of directors

1. In accordance with Section 285(2) of the Companies and Allied Matters Act 2020, Mr. Ernesto Costa, is retiring by rotation and being eligible, offers himself for re-election by an Ordinary Resolution.

2. In accordance with Section 285(2) of the Companies and Allied Matters Act 2020, Mr. Adeyemo Adejumo, is retiring by rotation and being eligible, offers himself for re-election by an Ordinary Resolution.

4 Share Capital and shareholding

The share capital of the Company is ₦10,046,511,573 (2021: ₦10,500,000,000) made up of 10,046,511,573 (2021: 10,500,000,000) ordinary shares of ₦1.00 each. During the year, an application was filed for cancellation of 453,488,427 unissued shares from the capital of the Company.

In compliance with the provisions of Section 124 of the Companies and Allied Matters Act, 2020, the share capital of the Company currently is ₦10,046,511,573 (2021: ₦8,314,354,406) made up of ₦10,046,511,573 (2021: ₦8,314,354,406) ordinary Shares of ₦1.00 each. An analysis of the shareholding interest in the issued share capital of the Company is disclosed below:

	2022		2021	
	No. of Ordinary Shares	% Holding	No. of Ordinary Shares	% Holding
Royal Exchange Plc 31, Marina, Lagos	3,260,383,121	39.21%	3,260,383,121	39.21%
Insuresilience Investment Fund Sicav-Ralf (With Respect to its Equity Sub-fund) 2, Rue D'alsaceL-1112 Luxembourg, Grand Duchy of Luxembourg	2,526,985,641	30.39%	2,526,985,641	30.39%
Africin vest Financial Inclusion Vehicle LLC c/o Trident Trust Company (mauritius) Limited, 5th Floor, Barkly Wharf Le Caudan Waterfront, Port Louis Republic of Mauritius	2,526,985,641	30.39%	2,526,985,641	30.39%
Mr. K.E. Odogwu No 12 Raymond Njoku Street, Ikoyi, Lagos	3	0.00%	3	0.00%
Total	8,314,354,406	100%	8,314,354,406	100%

5 Property and Equipment

Information relating to changes in property and equipment during the year is shown in Note 14 to the financial statements. In the opinion of the Directors, the fair value of the Company's properties is not less than the value shown in the accounts.

6 Donation

The Company made a donation of ₦6,700,000 during the year (2021: ₦800,000). The donations are listed below:

	N'000
i. Sponsorship of NCRIB Brokers Evening Held in Abuja and Port Harcourt	3,000
ii. Sponsorship of the Investiture of NIA Chairman	2,500
iii. Sponsorship of National Association of Insurance and Pension Reporters	300
iv. Sponsorship of the Asaba International Trade Fair	500
v. Sponsorship of Lagos Country Club Members Evening	300
vi. Sponsorship of Community Relations at Oromeruezimbu Community , Port Harcourt	100
	6,700

7. Events after reporting date

In line with IFRS 10, a significant event happened subsequent to the balance sheet date. A non-current asset held for sale as regards property at No 2, bank Road and 2, Post Office Road Kano have been disposed at N700m in 2023.

8. Agents, brokers and intermediaries

The Company maintains a network of licensed agents throughout the country. The Company also renders services to its customers through a varied network of brokers licensed by the National Insurance Commission.

9. Employers' involvement, training and welfare

9.1 Employment of Physically Challenged Persons

It is the policy of the Company that there will be no discrimination in the consideration of all applications for employment. As at December 31, 2022 (2021: nil), there was no disabled person employed by the Company.

9.2 Health and Safety at Work and Welfare of Employees

The Company is concerned about the health, safety and welfare of its employees as well as safety of all visitors. The Company provides medical services to its staff through health insurance with registered Health Management organisations.

9.3 Involvement and Consultation

The Company's consultation medium was fully used in the year to disseminate management policies and encourage the employees' involvement in its affairs.

9.4 Training

The Company recognizes that the acquisition of knowledge is constant. The Company recognizes also that to foster commitment its employees need to hone their awareness of factors, economic, financial or otherwise, that affects its growth. To this end, the Company, in the execution of its training programs encourages and provides the opportunity for its staff to develop and enhance their skill awareness and horizon.

10 Auditors

The Auditors, Messer Deloitte & Touche (Chartered Accountants) was re-appointed during the year as Auditors of the company in line with S.401(2) of CAMA 2020. The Auditors having satisfied the requirements of NAICOM and the company, have indicated their willingness to continue in office during the year.

11 Governance Compliance with the code of best practices on corporate

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Code of Best Practices on Corporate Governance for the Insurance Industry in Nigeria published in March, 2001. The Directors confirm that the Company has substantially complied with the provisions of the Code of Best Practices on Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD

Sheila Ezeuko ACIS, MIoD
General Counsel/Company Secretary
Lagos, Nigeria.
FRC/2013/NBA/000000004059
March 16, 2023

Statement of Directors' Responsibilities
In relation to the Financial Statements
For the year ended 31 December 2022

The Directors of Royal Exchange General Insurance Company Limited are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2022, and the results of its operations, 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, the Insurance Act CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission ("NAICOM") and Financial Reporting Council Act of Nigeria.

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

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company'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 company;
- maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclosures with reasonable accuracy at any time the financial position of the Company, and which enable then to secure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern

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

The financial statements of the company for the year ended 31 December 2022 were approved by the Board of Directors on March 16, 2023.

Signed by order of the Board of Directors:

Mr. Ike Chioke
Chairman/Independent Director
FRC/2013/IODN/00000003960

March 16, 2023

Ebelechukwu Nwachukwu
Managing Director/CEO
FRC/2013/IODN/00000002768

March 16, 2023

Report Of The **Audit Committee**
For the year ended 31 December, 2022

In compliance with Section 404 (7) of the Companies and Allied Matters Act 2020 ("The Act") We, the Members of the Audit & Compliance Committee have reviewed and considered the financial statements of the Company for the year ended December 31, 2022 and the reports thereon and confirm as follows:

a) The accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

b) The scope and planning of both the external and internal audits for the year ended 31 December, 2022 were satisfactory and reinforce the Company's internal control systems.

c) We have reviewed the findings on management matters, in conjunction with the external auditors and are satisfied with the response of management thereon.

d) The Company's systems of accounting and internal controls were adequate.

e) After due consideration, the Committee accepted the report of the Auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards (IFRS). The Committee therefore recommends that the audited financial statements for the period ended 31 December 2022 and the Auditor's report thereon be presented for adoption by the Company at the Annual General Meeting.

Lotfi Baccouche

Mr. Lotfi Baccouche
Chairman, Audit & Compliance Committee

March 16, 2023

Other Members

Mr. Adejumo Adeyemo	*Member*
Mr. Mehdi Gharbi	*Member*
Ms. Isioma Ogodoazi	*Member*

Certification of **Financial Statements**

For the year ended 31 December 2022

In accordance with Section 405 of the Companies and Allied Matters Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the Financial Statements have been reviewed and based on our knowledge, 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 light of the circumstances under which such statement was made, and
- audited Financial Statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited Financial Statements.

We state that Management and Directors:

- are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, particularly during the period (2022) in which the audited Financial Statement report is being prepared,
- has evaluated the effectiveness of the Company's internal controls within 90days prior to the date of its audited Financial Statements, and
- certifies that the Company's internal controls are effective as of that date;

We have disclosed:

- all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- whether or not, there is any fraud that involves Management or other employees who have a significant role in the company's internal control; and
- as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls, subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Financial Statements of the Company for the year ended 31 December 2022 were approved by the Board of Directors on 16th March 2023.

Signed by Order of the Board of Directors:

Ebelechukwu Nwachukwu
Managing Director/CEO
(FRC/2013/IODN/00000002768)

Uyi Osagie
Chief Financial Officer
(FRC/2016/ICAN/00000015704)

Deloitte.

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To the Shareholders of Royal Exchange General Insurance Company Limited:

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of Royal Exchange General Insurance Company Limited (the Company) set out on pages 47 to 159 which comprise the statement of financial position as at December 31, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Royal Exchange General Insurance Company Limited as at 31 December, 2022 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020, Insurance Act 117 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Key Audit Matters

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

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Key Audit Matter	How the matter was addressed in the audit
Under IFRS 4, the Company is required to perform liability adequacy test on its insurance contract liabilities to ensure the carrying value of the liabilities is adequate. As disclosed in note 24 to the financial statements, the insurance contract liabilities of the Company amounted to N5.197billion (2021: N4.69 billion). This represents about 26% of the Company total liabilities as at December 31, 2022. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses as at December 31, 2022. This involves exercise of significant judgement and use of key inputs and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves.	Our procedures included the following among others: We assessed and tested the design and operating effectiveness of selected key controls over actuarial methodology, integrity of data used in the actuarial valuation, and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves. In relation to the particular matters set out above, our substantive testing procedures included the following: • Tested the completeness and accuracy of underlying claims data utilized by the company's actuaries in estimating general insurance loss reserves. • Utilized information technology audit techniques to analyze claims through claims data plausibility checks and recalculation of claims development patterns. • Involved Deloitte's actuarial specialists to independently test management's general insurance loss reserve studies and evaluate the reasonableness of the methodology and assumptions used against recognized actuarial practices and industry standards. • Performed independent re-projections on selected product lines, particularly focusing on the largest and most uncertain general insurance reserves. For these product lines our actuarial specialists compared their re-projected reserves to those recorded by the company, and sought to understand any significant differences.
At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.	• Performed sensitivity testing and evaluated the appropriateness of any significant adjustments made to management's general insurance reserve estimates. Based on the work performed we determined the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

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Other Information

"The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, 2020, the Nigerian Insurance Commission in accordance with the Insurance Act 117 LFN 2004, the Financial Reporting Council Act No. 6 2011 and relevant National Insurance Commission (NAICOM) Guidelines and Circulars and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Deloitte.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act 2020, Section 28(2) of the Insurance Act 117 LFN 2004, and requirements of the Non-Compliance with Laws and Regulations (NOCLAR), we expressly state that:

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

ii) In our opinion, proper books of account have being kept by the company, insofar as appears from our examination of those books.

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

Contraventions

Penalty imposed on the violation of paragraph 6(i) of the market conduct and business practice guidelines in rerspect of the appointment of the key management personnel in the sum of N750,000 (2021:Nil)

The opinion expressed in these financial statements is to enable the company comply with the requirement for the submission of its financial statements to the Nigerian Insurance Commission in accordance with the Insurance Act I17 LFN 2004. Consequently, these Consolidated and Separate financial statements should not be distributed or made available to any third party in whole or in part pending final approval by the Nigerian Insurance Commission and subsequent auditors' opinion thereon.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
02-May-2023

Engagement Partner:
Yetunde Odetayo FCA
FRC/2013/ICAN/00000000823

Statement of **Financial Position**

As at 31 December, 2022

	Note	2022 ₦'000	2021 ₦'000
ASSETS			
Cash and cash equivalents	6	**16,948,473**	15,980,243
Financial assets:			
- Fair value through profit or loss	7b(i)	501,713	708,992
- Fair value through other comprehensive income	7b(ii)	1,996,324	5,077,449
Amortised cost	7c	4,522,630	69,971
Trade receivables	8	89,695	135,160
Reinsurance assets	9	1,935,330	1,818,151
Deferred acquisition cost	10a	364,467	362,286
Other receivables and prepayments	11	1,767,101	1,063,777
Investment in associates	12a	230,622	455,039
Investment properties	13	680,000	3,856,305
Property and equipment	14	1,680,806	1,242,744
Right of use assets	14(i)	12,425	32,806
Intangible assets	15	130,590	64,557
Statutory deposits	16	340,000	340,000
Employees retirement benefits	17d	368,917	310,990
		31,569,093	31,518,470
Non Current Asset held for Sale	19	735,009	-
Total assets		**32,304,101**	**31,518,470**
Liabilities			
Insurance contract liabilities	24	5,197,023	4,694,850
Bank overdrafts	6(i)	-	17,007
Employee benefit liability	17c	41,719	45,099
Deferred tax liabilities	18	242,912	539,543
Deferred income	20	191,313	174,534
Trade payables	21	11,302,786	10,886,461
Other liabilities	22	829,181	1,473,231
Finance lease obligations	23a	686	26,176
Current income tax liabilities	25	269,905	261,359
Total liabilities		**18,075,525**	**18,118,259**
Equity			
Share capital	26	8,314,355	8,314,355
Share premium	27	1,277,616	1,277,616
Retained earnings	29	930,332	577,353
Contigency reserve	28	3,652,843	3,226,564
Other component of equity	30	53,432	4,324
Total equity		**14,228,577**	**13,400,212**
Total equity and liabilities		**32,304,101**	**31,518,471**

These financial statements were approved by the Board of Directors on March 16, 2023 and signed on behalf of the board of directors by:

Ebelechukwu Nwachukwu
Managing Director/CEO
(FRC/2013/IODN/00000002768)

Jane Ekomwereren
Executive Director
(FRC/2021/003/00000023356)

Uyi Osagie
Chief Financial Officer
(FRC/2016/ICAN/00000015704)

Statement of **Profit or Loss and Other Comprehensive Income**

As at 31 December, 2022

	Note	**2022 ₦'000**	2021 ₦'000
Gross premium written	**31(a)**	**14,209,292**	**12,735,110**
Unearned premium	31(a)	(215,411)	(760,717)
Gross premium income		13,993,881	11,974,393
Reinsurance expenses	32	(7,991,853)	(6,480,904)
Net premium income		**6,002,028**	**5,493,489**
Fees and commission income	33	733,483	578,933
Net underwriting income		**6,735,512**	**6,072,422**
Insurance claims and benefits incurred	34(a)	(2,826,293)	(1,565,194)
Insurance claims and benefits incurred - recoverable from reinsurers	34(b)	853,378	435,167
Net claims expenses		(1,972,915)	(1,130,027)
Underwriting expenses	35	(2,951,849)	(3,234,224)
Total underwriting expenses		**(4,924,764)**	**(4,364,251)**
Underwriting profit		**1,810,748**	**1,708,171**
Investment income	36	1,818,148	749,027
Finance income	17(c)	39,734	255
(Loss) on disposal of investment in associates	36	(109,671)	-
Share of profit or (Loss) on investment in associate	12(a)	4,278	1,895
Unrealized fair value gain/(loss)	36(a)	(37,657)	(12,034)
ECL Impairment Allowance	37	(55,662)	38,380
Other operating income	38	32,884	208,018
		1,692,054	985,541
Net income		**3,502,802**	**2,693,712**
Foreign exchange (loss)/gain	39	290,666	(49,578)
Management expenses	40	(3,069,969)	(2,304,325)
Expenses		**(2,779,303)**	**(2,353,903)**
Profit before minimum taxation		**723,497**	**339,809**
Profit before taxation		**723,497**	**339,809**
Minimum Tax / Income tax charge	25(a)	55,760	(90,113)
Profit after taxation		**779,257**	**249,696**
Other comprehensive income, net of tax			
Items that will never be classified in profit or loss			
Net actuarial gains/(losses) on employee benefits	17(c)	21,572	35,363
Items that may be classified to profit or loss:			
Share of current year results in associates	12	-	-
Fair value gain/(losses)	7(d)	27,536	(529,653)
Total other comprehensive income, net of tax		49,108	(494,290)
Total comprehensive income for the year		828,364	(244,594)
Total comprehensive income attributable to shareholders		**828,364**	**(244,594)**
Earnings per share - Basic (Kobo)		0.09	0.03
Earnings per share - Diluted (Kobo)		0.07	0.05

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

Statement of **Changes in Equity**

As at 31 December, 2022

2022	Share capital ₦'000	Share Premium ₦'000	Contingency Reserve ₦'000	Retained Earnings ₦'000	Actuarial Gain/(Loss) Reserve ₦'000	Fair value reserve	Total ₦'000
At January 1	**8,314,355**	**1,277,616**	**3,226,564**	**577,353**	**(1,702)**	**6,026**	**13,400,212**
Profit for the year	-	-	-	779,257	-	-	779,257
Transfer to Contingency Reserve	-	-	426,279	(426,279)	-	-	-
Other comprehensive income:							
Net actuarial gains/(losses) on defined benefit obligations	-	-	-	-	21,572	-	21,572
Fair value changes on FVOCI	-	-	-	-	-	27,536	27,536
Total comprehensive income for the year	**-**	**-**	**426,279**	**352,978**	**19,870**	**33,562**	**828,365**
Transactions within Equity:							
Transfer to Contingency Reserve	-	-	426,279	(426,279)	-	-	-
Total contribution and distributions to equity holders	-	-	426,279	(426,279)	-	-	-
31st December	**8,314,355**	**1,277,616**	**3,652,843**	**930,331**	**19,870**	**33,562**	**14,228,576**

2021	Share capital ₦'000	Share Premium ₦'000	Contingency Reserve ₦'000	Retained Earnings ₦'000	Actuarial Gain/(Loss) Reserve ₦'000	Fair value reserve	Total ₦'000
At January 1	**5,366,667**	**802,737**	**2,844,511**	**709,711**	**(37,065)**	**535,679**	**10,222,240**
Adjusted January 1, 2021	5,366,667	802,737	2,844,511	709,711	(37,065)	535,679	10,222,240
Profit for the year	-	-	-	249,696	-	-	249,696
Transfer to Contingency Reserve	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-
Net actuarial gains/(losses) on defined benefit obligations	-	-	-	-	35,363	-	35,363
Fair value changes FVOCI	-	-	-	-	-	(529,653)	(529,653)
Total comprehensive income for the year	**-**	**-**	**-**	**249,696**	**35,363**	**(529,653)**	**(244,594)**
Transactions within Equity:							
Transfer to contingency Reserve	-	-	382,053	(382,053)	-	-	-
Dividend paid within the year	-	-	-	-	-	-	-
Issue of new shares for cash	2,526,986	1,074,759	-	-	-	-	3,601,745
Share issue expenses	-	(179,178)	-	-	-	-	(179,178)
Issue of new shares-retained earnings capitalized	420,702	(420,702)	-	-	-	-	-
			-	-	-	-	-
Total contribution and distributions to equity holders	2,947,688	474,879	382,053	(382,053)	-	-	3,422,567
31st December	**8,314,355**	**1,277,616**	**3,226,564**	**577,353**	**(1,702)**	**6,026**	**13,400,212**

Statement of **Cash Flows**
As at 31 December, 2022

	Note	2022 ₦'000	2021 ₦'000
Cash flows from operating activities			
Insurance premium received from customers	47(a)	3,685,265	5,115,419
Premium received in advance	47c(i)	10,838,031	10,569,492
Insurance benefits and claims paid to customers	47(b)	(2,539,530)	(1,673,165)
Outward reinsurance premium paid	47(c)	(7,933,008)	(6,836,167)
Fees and commission received	47(d)	760,020	613,787
Claim recoveries made from reinsurers	47(e)	825,139	711,786
Commissions and other underwriting expense	47(f)	(2,954,030)	(3,371,254)
Cash payment to employees	47(g)	(1,699,613)	(1,040,190)
Other cash payments to intermediaries and supplier	47(g)	(2,602,340)	(431,654)
Other operating income	38	32,884	208,018
Income tax paid	25	(232,324)	(205,847)
Net cash flow from Operating activities		**(1,819,506)**	**3,660,223**
Cash flows from investing activities			
Purchase of property and equipment	14	(643,207)	(199,390)
Purchase of intangible asset	15	(85,024)	(76,558)
(Loss)/Proceed from sale of property and equipment	47h(i)	(26,479)	-
(Loss)/Proceed from sale of right of use asset	47h(ii)	(3,152)	-
Proceed from sale of investment property	13	3,335,000	-
Purchase of financial assets	7(d)	(4,468,972)	(1,330,723)
Rental income from investment properties	47(j)	33,811	74,989
Investment related expenses	47(l)	(126,944)	-
Interest income	47(k)	1,191,985	562,087
Dividend income	47(i)	66,234	112,253
Proceeds on redemption/disposal of financial assets	7(d)	3,266,315	71,695
Net cash flow from investing activities		**2,539,568**	**(785,646)**
Cash flows from financing activities			
Payment of finance lease liabilities	23(a)	(25,490)	(29,528)
Proceeds from the issue of shares	26(ii)	-	3,601,745
Share issue expenses paid	26(ii)	-	(179,178)
Dividend paid	29	-	-
Net cash flow from financing activities		**(25,490)**	**3,393,039**
Net cash increase in cash and cash equivalents		694,572	6,267,616
Cash and cash equivalents, beginning of year	6	15,963,236	9,745,199
Effect of movement in exchange rates on cash held	39	290,666	(49,578)
Cash and cash equivalents, end of year	6	**16,948,473**	**15,963,236**

Company Information and
Statement of Accounting Policies
As at 31 December, 2022

1 Reporting Entity

Royal Exchange General Insurance Company Limited is a private limited liability company registered in Nigeria by the Corporate Affairs Commission with registration number 725727 and registered office at New Africa House, 31 Marina, Lagos. It was licensed to transact general insurance business by the National Insurance Commission (""NAICOM"") on July, 9th 2008.

The company is jointly owned by Royal Exchange Plc , Insuresilience Fund Investment Fund and Africinvest Financial Inclusion Vehicle LLC issued and fully paid share capital of 3,260,383,121 , 2,526,985,641 and 2,526,985,641 ordinary shares of N1.00 each respectively.

Its principal activities include general insurance underwriting, claims payment and investments.

These services, supported by outstanding customer service, are primarily undertaken in Nigeria.

2 Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements for the year ended December 312022 have been prepared in accordance with, and comply with the, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and National Insurance Commission of Nigeria (""NAICOM"") circulars.

These financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the accompanying notes

(b) Functional and presentation currency

The financial statement is presented in Naira, which is the Company's functional currency. Financial information presented in Naira has been rounded to the nearest thousands except where indicated.

(c) Basis of measurement

These financial statements have been prepared in accordance with the going concern principle and on a historical cost basis except for the following:

Measurement basis

Classification	Details
(i) At fair value	• financial instruments at fair value through profit or loss; • financial instruments at fair value through other comprehensive income; • investment properties. • Non Current Asset held for sale
(ii) Measured at present value	• Retirement benefit obligations are measured in terms of the projected unit credit method;
(iii) Measured at amortised cost	• financial liabilities at amortised cost;
(iv) Measured at actuarial value	• Insurance contract liabilities
(v) Cost plus share of profit	• Investment in associates

(d) Reporting period

The financial statements have been prepared for the 12 month period ended December 31, 2022.

(e) Use of estimates and judgment

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 5.

(f) Changes in accounting policies and disclosures

New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statement

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2020, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met.

1. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2. Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

3. There is no substantive change to other terms and conditions of the lease. The amendment is not applicable to Royal Exchange General Insurance Company Limited as the company does not have operating leases qualified for the application of IFRS 16, hence it was not applied.

Impact of the initial application of new and amended IFRS Standards that are effective for the current year

Amendments to IAS 1 and IAS 8 Definition of material -
The Company has adopted the amendments to IAS 1 and IAS 8 in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

g) Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective;

i) IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted.

Background
In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.

In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. The IASB also tentatively decided on a consequential amendment to IFRS 4 Insurance Contracts to defer the fixed expiry date for the temporary exemption from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain types of insurance contracts.

The Company will apply IFRS 17 for the first time on January 1, 2023. These standards will bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are expected to have a material impact on the Company's financial statements in the period of initial application.

A. Estimated impact of the adoption of IFRS 17
The Company has assessed the estimated impact that the initial application of IFRS 17 will have on its financial statements. Based on assessments undertaken to date, the total adjustment (after tax) to the balance of the Company's total equity is estimated to be a decrease of N61,872 million at January 1, 2023 as summarised below."

Amount in thousands of Nigerian Naira	January 1, 2023
Estimated increase (reduction) in the Company's total equity	
Impact on discounting	292,633
Adjustment for non-financial risk @ 6% cost of capital	(381,021)
Impact on equity before tax	(88,388)
Tax Effect	26,516
Impact on equity after tax	(61,872)
Discounting rate applied	12.78%

The Company has disclosed known or reasonably estimable information relevant to assessing the possible impact that the application of IFRS 17 will have on its financial statements in the period of initial application that was available when the 2022 financial statements were authorized for issue.

The main features of the new accounting model for insurance contracts are as follows :

(i) Identification of contracts in the scope of IFRS 17
The standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts, reinsurance contracts, and investment contracts with discretionary participatory features(DPF). When identifying contracts within the scope of IFRS 17, the Company assessed whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives investment components and goods and services components have to be separated and accounted for under another standard. For insurance contracts and reinsurance contracts, based on our review no significant change is expected arising from the application of IFRS 17.

(ii) Level of aggregation
Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for the purpose of measurement. Groups of contracts are determined by first identifying portfolios of contracts comprising contracts subject to similar risk and managed together.

Contracts in different product lines or issued by different entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts(i.e. by the year of issue) and each cohort into three groups:

- contracts that are onerous at initial recognition,
- contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently, if any, and
- any remaining contracts in the annual cohort, if any.

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

On initial recognition, all new contracts are either added to existing group of contracts or, forms a new group to which future contracts may be added where it does not qualify for inclusion in already existing groups. Reinsurance contracts held are grouped such that each group comprises a single contract.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts which generally deferred as a contractual service margin (CSM) against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contract being recognised sooner.

The level of aggregation adopted by the business will be based on the current product segmentation which reflects the contract that have similar risks are mananged together which meets the requirement of IFRS 17.

(iii) Contract boundaries

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

- **Insurance contracts**

  For insurance contracts, cashflows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services(including insurance coverage and investment services) the substantive obligation to provide services ends when:

  - the Company has the practical ability to reassess the risk of the particular policyholder or portfolio that contains the contract and can set a price or levels of benefit that fully reflects those reassessed risks; or

  - the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set up a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into consideration risks that relate to periods after the reassessment date.

Cash flows for reinsurance contracts are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsure ends when the reinsurer has the practical ability to reassess the risk transfers to it and can set a price or level of benefits that fully reflects those reassessed risk or has a substantive right to terminate the coverage.

- **Reinsurance contracts**

  For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Some of the Company's quota share reinsurance contracts cover underlying contracts issued within the annual term on a risk-attaching basis and provide unilateral rights to both the Company and the reinsurer to terminate the attachment of new underlying contracts at any time by giving three months' notice to the other party. Currently, the measurement of these reinsurance contracts generally aligns with that of the underlying contracts and considers only underlying contracts already ceded at the measurement date. However, under IFRS 17 cash flows arising from underlying contracts expected to be issued and ceded after the measurement date, in addition to those arising from underlying contracts already ceded, may be within the boundaries of the reinsurance contract and may have to be considered and estimated in their measurement.

(iv) Measurement - Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Contracts are subjected to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts that are substantially investment-related service contracts under which the Company promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identifed pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- apply the risk mitigation option in IFRS 17, to the extent eligible, to recognise certain changes in these contracts in profit or loss and not to adjust the CSM for those changes when it uses derivatives, non-derivative financial instruments measured at FVTPL or reinsurance contracts to mitigate the financial risk from interest rate guarantees in traditional participating contracts and equity guarantees in variable annuity contracts; and
- take advantage of the consequential amendments introduced by IFRS 17 to other standards to measure owner-occupied properties and the Company's own fnancial liabilities and own shares held that are underlying items as assets at FVTPL.

All other insurance contracts and all reinsurance contracts are expected to be classified as contracts without direct participation features.

- **Premium Allocation Approach (PAA)**

  The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

  The Company expects that it will apply the PAA to all contracts in the segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.
- Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above."

(v) Measurement - Insurance contracts

- **Insurance contracts**

On initial recognition of each group of Non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Company will elect to recognise insurance acquisition cashflows as an assets when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Company expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Company will not adjust the liability for remaining coverage to refect the time value of money and the effect of fnancial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company will recognize a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfillment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfillment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted (see below).

The Company will recognize the liability for incurred claims of a group of contracts at the amount of the fulfment cash fows relating to incurred claims. The future cashflows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Company will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Impact assessment

Although the PAA is similar to the Company's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts.

Changes from IFRS 4	Impact on equity on transition to IFRS 17
Under IFRS 17, the Company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Company does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfment cash flows to include a risk adjustment for non- fnancial risk. This is not explicitly allowed for currently.	Decrease

Measurement – Significant judgements and estimates

Estimates of future cash flows

In estimating future cash flows, the Company will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company will take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfillment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfillment activities, and other activities at the entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfillment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics. The Company will generally allocate insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts in each group.

Discount rates

The bottom-up approach will be more feasible to adopt by the Company as the yield curve can easily be generated from government bonds.

- **Risk adjustments for non-financial risk**

Risk adjustments for non-financial risk will be determined to reflect the compensation that the Company would require for bearing non-financial risk and its degree of risk aversion. They will be determined separately for the Non-life contracts and allocated to groups of contracts based on an analysis of the risk profiles of the groups. They reflect the effects of the diversification benefits between Company entities, which will be determined using a correlation matrix technique.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company will apply these techniques both gross and net of reinsurance and derive the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a cost of capital technique, the Company will determine the risk adjustment for non-financial risk by applying a cost of capital rate to the amount of capital required for each future reporting date and discounting the result using risk-free rates adjusted for liquidity, consistently with the Company's current practice. The required capital will be determined by estimating the probability distribution of the present value of future cash flows from the contracts at each future reporting date and calculating the capital that the Company would require to meet its contractual obligations to pay claims and expenses arising over the duration of the contracts at a 99.5 % confidence level. The cost of capital rate represents the additional reward that investors would require for exposure to non-financial risk.

The Company is adopting 6% as its weighted-average cost of capital at January 1, 2023.

To determine the relative weighting of the benefits provided by insurance coverage and investment services, the Company will generally consider the selling prices for the services had they been offered on a stand-alone basis and adjust the quantity of benefits for each service in proportion to those stand alone selling prices. The stand-alone selling price for a service may be evidenced by observable prices when the Company sells that service separately to policyholders with similar characteristics.

(viii) Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in the Company's financial statements.

Under IFRS 17, portfolios of insurance contracts and investment contracts with DPF that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 will provide added transparency about the sources of profits and quality of earnings.

- **Insurance service result**

For contracts measured using the PAA, insurance revenue is recognized based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognize insurance revenue over the coverage period will result in slower revenue recognition compared with the Company's current practice of recognizing revenue when the related premiums are written.

Expenses that relate directly to the fulfillment of contracts will be capitalized and amortized over the life of the contract in the profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfillment of contracts will be presented outside the insurance service result. Investment components will not be included in insurance revenue and insurance service expenses under IFRS 17 and this is not applicable to Non-life products.

(viii) Presentation and disclosure

- **Insurance finance income and expenses**

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

If the Company derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract will be reclassified to profit or loss as a reclassification adjustment.

- **Disclosure**

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

(ix) Transition

Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using a full retrospective approach to the extent practicable, except as described below. Under the full retrospective approach, at 1 January 2022, the Company will:

- identify, recognize, and measure each group of insurance contracts, reinsurance contracts, and investment contracts with DPF as if IFRS 17 had always been applied;

- identify, recognize, and measure any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that they will not be tested for recoverability before 1 January 2022;

- derecognize previously reported balances that would not have existed if IFRS 17 had always been applied (including some deferred acquisition costs, provisions for levies attributable to existing insurance contracts, and customer-related intangible assets related to acquired insurance contracts);

- measure owner-occupied properties, own financial liabilities, and own shares held that are underlying items of direct participating contracts at fair value (see (iv)); and

- recognize any resulting net difference in equity. The carrying amount of goodwill from previous business combinations will not be adjusted.

If it is impracticable to apply a full retrospective approach to a group of contracts or to an asset for insurance acquisition cash flows, then the Company will choose between the modified retrospective approach and the fair value approach. However, if the Company cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it will apply the fair value approach.

The Company considers the full retrospective approach impracticable under any of the following circumstances.

The effects of retrospective application are not determinable because the information required has not been collected (or has not been collected with sufficient granularity) or is unavailable because of system migrations, data retention requirements or other reasons. Such information includes for certain contracts:

- expectations about a contract's profitability and risks of becoming onerous required for identifying groups of contracts;

- information about historical cash flows (including insurance acquisition cash flows and other cash flows incurred before the recognition of the related contracts) and discount rates required for determining the estimates of cash flows on initial recognition and subsequent changes on a retrospective basis;

- information required to allocate fixed and variable overheads to groups of contracts, because the Company current accounting policies do not require such information; and

- information about certain changes in assumptions and estimates, because they were not documented on an ongoing basis

The full retrospective approach requires assumptions about what Company management's intentions would have been in previous periods or significant accounting estimates that cannot be made without the use of hindsight. Such assumptions and estimates include certain contracts

- expectations at contract inception about policyholders' shares of the returns on underlying items required for identifying direct participating contracts;

- assumptions about the risk adjustment for non-financial risk, because the Company was not subject to any accounting or regulatory framework that required an explicit margin for non-financial risk.

The objective is to adopt the full retrospective application possible using reasonable and supportable information available without undue cost or effort.

ii) IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

iii) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, 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 recognizes 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 effective for annual periods beginning on or after January 1, 2022, with early application permitted.

v) 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 recognize 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 January 1, 2022, with early application permitted.

The annual improvements include amendments to four Standards

IFRS 1 First-time Adoption of International Financial Reporting Standards.

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent. in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

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

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application."

3 Summary of Significant Accounting Policies

The Company consistently applied the following accounting policies to the periods presented in the financial statements

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates an the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- Unquoted equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(b) Cash and Cash Equivalents

Cash comprises cash in hand, and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in their fair value. Cash equivalents comprise investments with original maturities of three months or less and used by the Company to manage its short - term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.For the purpose of the statement of cash flows, cash and cash equivalents are net of outstanding overdrafts.

(c) Financial assets and liabilities

Measurement methods

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

The calculation does not consider expected credit losses, but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For originated credit impaired financial assets i.e. assets that are credit impaired at initial recognition, the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated cashflows. The company does not purchase credit impaired assets.

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

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for:

- Originated credit impaired assets for which the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not originated credit impaired but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the interest rate to their amortised cost (i.e. net of expected credit loss provision).

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI as described in note 5(ii)(b) which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(d) Financial assets

(i) Classification and subsequent measurement
The Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt Instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government treasury bills.

Classification and subsequent measurement of debt instruments depend on:

(i) The Company's business model for managing the asset; and

(ii) The cash flow characteristics of the asset.

i) **Business model:** the business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other business model' and measured at FVTPL. Factors considered by the company in determining the business model for a entity of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

ii) **SPPI:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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

1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 5(ii)(b). Interest income from these financial assets is included in 'Net investment income' using the effective interest rate method.

2) **Fair value through other comprehensive income (FVOCI)**: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Net investment income' using the effective interest rate method.

3) **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net fair value gain/(loss) on financial assets' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Investment and other income'. Interest income from these financial assets is included in 'Investment and other income' using the effective interest rate method. As at the reporting date, the company has no debt instruments within this category.

   The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments held by the Company include ordinary shares of other entities.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company designates equity investments at fair vlue through other comprehensive income on an equity by equity basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

As at the reporting date , the company designated all its unlisted equity investment and certain listed equity investments at fair value through comprehensive income.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss within 'fair value gains and losses on assets.

(ii) Impairment
The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The company has no exposures arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 5(ii)(b) provides more detail of how the expected credit loss allowance is measured.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

- Significant extension of the loan term when the borrower is not in financial difficulty.

- Significant change in the interest rate.

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

Where the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

Where the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit adjusted effective interest rate for originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

(e) Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. The company has no financial liabilities measured at fair value through profit or loss.

(ii) 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 Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company 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 sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account 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 Company 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 not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

The fair value of a non-interest bearing liability is stated at the invoice amount if the impact of discounting is not material.

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

(iii) Impairment of financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset or group of financial assets is impairment could include:

- Significant financial difficulty of the issuer or counter party;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial re-organization;
- The disappearance of an active market for that financial asset because of financial difficulties.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant or a period of nine months to be prolonged. However,in specific circumstances a smaller decline or a shorter period might have been appropriate.

(iv) De-recognition of financial assets and financial liabilities

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, The Company continues to recognize the financial asset and financial liability separately.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) Impairment of other non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets and investment property) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Non Current Asset Held for Sale

This is classified as held for sale if it is highly probable that it will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell.

(h) Reinsurance Assets

The Company cedes reinsurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract. Reinsurance assets are recorded in principle equal to loans and other receivables.

Reinsurance assets are assessed for impairment at each reporting date. If there is reliable objective evidence that a reinsurance asset is impaired as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairement loss is calculated and recognised following the same method used for loans and receivables.

The Company has the right to set off reinsurance payables against amounts due from reinsurers and co-assurers in line with the agreed arrangement between both parties.

(i) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. For non-life insurance contracts, acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised in the profit or loss systematically over the life of the contracts at each reporting date.

(j) Prepayments and other Receivables

Prepayment are essentially prepaid rents and staff upfront payments. Other receivables are carried at amortised cost less accumulated impairment losses.

Other receivables balances include dividend receivable, intercompany receivables, accrued rental income and security holding trust account.

Intercompany receivables consist of receivables from the parent company, Royal Exchange Plc and other components within the Royal Exchange group. The Comapany recognises intercompany receivables when they are originated. Intercompany receivables are measured at amortised cost less accumulated losses.

(k) Investment in associates (equity-accounted investees)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is primarily presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. However, where other factors are involved, these are taken into consideration in exercising judgment.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognised in the income statement; its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the impairment amount in the income statement.

(l) Investment Properties

Investment properties are properties held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment properties are measured initially at fair value, including all transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated and assessed annually by an external valuer who is accredited by the Financial Reporting Council of Nigeria.

De-recognition

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

Transfers

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

(m) Property and Equipment

Recognition and measurement

All property and equipment used by the Company is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of a property and equipment have different useful lives, then they are accounted for as seperate items (major components) of property and equipment.

Subsequent costs

Subsequent expenditures are recognized in the carrying amount of the asset or as a seperate asset as appropriate if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-today servicing of property and equipment are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is recognized so as to allocate the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Freehold and leasehold land is not depreciated

The estimated useful lives of property and equipment are as follows:

Buildings	50 years
Generating set	7 years
Computer equipment	4 years
Furniture and office equipment	5 years
Motor vehicles '- New (Cash purchase)	5 years
'- Salvage	3 years
Finance lease assets	4 years

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

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

(n) Intangible Assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of five years using the straight line method.

Intangible assets which are not available for use are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

An intangible asset shall be derecognized by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is recognised.

(o) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Company's statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for properties held for sale that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through the sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale.

(p) Statutory Deposit

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LNF 2004 for the general insurance companies.

The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at cost.

(q) Hypothecation of Assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 wherein the policyholders' assets and funds are not co-mingled with assets and funds that belong to shareholders and other funds.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

The assets hypothecated are shown in Note 24(f) to the financial statements.

(r) Deferred income

Deferred income comprises deferred rental income and deferred commission.

Deferred Rental Income relates to rents received in advance. These are amortized and transferred to the statement of profit or loss over the periods that they relate.

Deferred commission income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred commission incomes are amortized systematically over the life of the contracts at each reporting date.

(s) Provisions, contingent liabilities and assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

(t) Finance and operating lease obligations

These are the corresponding liabilities on assets acquired under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized in the year which they relate in profit or loss.

Lease assets - lessee

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lease assets - lessor

If the Company is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, then the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances

(u) Insurance Liabilities

(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unearned premium, unexpired risk, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

Reserve for unexpired risk
A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims
Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)
A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Liability adequacy test
At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognized in profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by Ernst & Young (Consultant Actuaries).

(ii) Recognition and Measurement of Insurance Contract

Premium
Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance
Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Claims
Claims incurred comprise claims and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are recognized in profit or loss as incurred.

(v) Employee Benefits

(i) Short-term benefits
Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined Contribution Plans
The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company contributes 10% and employees contribute 8% each of the qualifying monthly emoluments in line with the Pension Reform Act.

The Company's monthly contribution to the plan is recognized as an expense in profit or loss.

The Company pays contributions to privately administered pension fund administration on a monthly basis. The Company has no further payment obligation once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(a) Defined Benefit Plan

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Company determines the net interest expense (income) on the defined benefit liability 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, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(b) Pension

The Company operated a funded pension scheme for its employees prior to the Pension Reform Act 2004. It therefore has continuing pension obligation to its staff who retired prior to the commencement of the contributory pension scheme.

Pensioners are entitled to 3% annual increment. Over 90% of the pension assets are being managed by a pension fund administrator while the balance is invested in marketable securities and bank placement.

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 Company, 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 requirements.

Remeasurements 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 Company 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), taking into account any changes in the 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 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 Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long term benefits

The Company operates a long service award plan for eligible staff who have rendered continued service to the organization.

Benefits accrue after a minimum of 10 years and a maximum of 35 years. The main benefits payable on the scheme are both cash and gift items which vary according to the number of years of service.

The liability is valued annually by a qualified actuary (Logic Professional Services) under the supervision of Mr Ganiu Shefiu with FRC number (FRC/2017/NAS/00000017548) using the projected unit credit method.

Remeasurements of the obligation, which comprise actuarial gains or losses,are recognized immediately in OCI. The Company determines the net interest expense(income) on the obligation for the period by applying the discount rate used to measure the obligation at the beginning of the annual period to the liability,taking into account any changes in the liability during the period as a result of benefit payments. Net interest expense and other expenses related to obligation are recognized in profit or loss.

The Company meets benefits on a pay-as-you-qualify basis as the plan is an unfunded scheme.

(w) Capital and Reserves

(i) Share capital
The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Share premium
This represents the excess amount paid by shareholders on the nominal value of the shares. This amount can be utilized as provided in Section 120(3) of Companies Allied Matters Act. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve
The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.

In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross 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.

(iv) Retained Earnings
The reserve comprises undistributed profit/(loss) from previous years and the current year. Retained Earnings is classified as part of equity in the statement of financial position.

(v) Fair value reserves
Fair value reserves represent the cummulative net change in the fair value of available-for-sale financial assets at the reporting date.

(vi) Asset revaluation reserve
The revaluation reserve relates to the surplus on revaluation of land and building at the end of the financial period. Increases in the value of these assets are recognised in other comprehensive income and accumulated in assets revaluation reserve until the assets are derecognised.

(vii) Other reserves - employee benefit actuarial surplus
Actuarial (surplus)/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

(viii) Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company’s shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent period.

Dividends proposed by the Directors but not yet approved by shareholders are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act of Nigeria.

(x) Revenue Recognition

(i) Gross Written Premium
Gross written premiums for non-life (general) insurance comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross written premiums are stated gross of commissions, net of taxes and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

(ii) Reinsurance expenses
Reinsurance cost represents outward premium paid/payable to reinsurance companies less the unexpired portion as at the end of the financial year.

(iii) Fees and commission income
Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder

administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

(iv) Investment Income
Investment income consists of dividends and interest income on loans and receivables, realized gains and losses as well as unrealized gains and losses on fair value assets.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(vi) Dividend income
Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(vii) Realized and Unrealized gains and losses
Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying value as recorded on occurrence of the sale transaction. Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(viii) Other operating income
Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of fixed assets. Rental income is recognized on an accrual basis.

(y) Expense Recognition

(i) Insurance claims and benefits incurred
Gross benefits and claims consist of benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage
Some non-life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim.

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

(ii) Underwriting expenses
Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients.

All underwriting expenses are charged to income statement as they accrue or become payable.

(iii) Management expenses
Management expenses are charged to profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

4 Significant accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

A Measurement of the expected credit loss allowance
The measurement of the expected credit loss allowance for the company's financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).
A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing entitys of similar financial assets for the purposes of measuring ECL.

B Judgements
Management applies its judgment to determine whether the Company should equity account for its investment in associates. According to IAS 28, a 20% or more interest in an investee leads to a rebuttable presumption that the investor has significant influence over the investee.

The Company holds a direct interest of 26% in CBC EMEA. Management has considered the fact and circumstances, including the representation of the Company on the board of CBC EMEA, and has concluded that the Company has significant influence over CBC EMEA and REHL and the entities are associates of the Company.

C Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2022 is set out below in relation to the impairment of financial instruments and in the following notes in relation to other areas:

(i) Liabilities arising from insurance contracts
Claims arising from non-life insurance contracts Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deems liabilities reported as adequate. Assumptions used in determining the liabilities are disclosed in Note 47.

Changes in the outcome of the assumption can have a significant impact on the total recorded liabilities arising from insurance contracts and the claims expenses.

(ii) Fair value of financial instruments
The directors use their judgment in selecting an appropriate valuation technique for some financial assets.

Impairment for financial assets carried at amortized costs as well as the amount of impairment for trade receivables.The significant estimates applied in determination of fair value of financial assets are as shown in the statement of accounting policies note 3 (c)(v).

(iii) Determination of fair value of investment property

Management employed the services of estate surveyors and valuers to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. Other key assumptions are as disclosed in Note 13 to the financial statements.

(iv) Defined benefit plan

The present value of the employee benefit obligations depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate.

The Company determines the appropriate discount rate at the end of the reporting period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions as disclosed in Note 17.

(v) Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies general tax rules and the Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(vi) Deferred tax assets

Recognised deferred tax assets (See note 18) are measured at the tax rates enacted or substantively enacted at the end of the reporting period and represents those amounts that are probable of realisation taking into account management's estimates of future taxable profits. In determining estimates of future taxable profit against which deductible amount can be utilised, management has considered the existence of taxable temporary differences that will reverse in the same year that deductible amounts will reverse.Mangement's estimate of future taxable profits has been determined on the basis of a five year profit forecast. Management affirms that assumptions undelying the five year forecast is reasonable given the Compnay's restructured operations and there are no objective indictors to suggest that the projected earnings level will not be achieved.

(vii) Determination of impairment of property and equipment, and intangible assets excluding goodwill

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Company applies the impairment assessment to its separate cash generating units.

This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management’s judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(viii) Depreciation and carrying value of property and equipment and intangible assets

The estimation of the useful lives of assets is based on management’s judgement. Any material adjustment to the estimated useful lives of items of the assets will have an impact on the carrying value of these items. Depreciation and ammortisation is recognised on the basis described in accounting policies note 3(l) and 3(m)

5 Financial risk management

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability of businesses in Nigeria.

In a sustained economic phase of low growth, characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected.

The Company's risk management process includes the identification and measurement of various forms of risk, the establishment of risk thresholds and the creation of processes intended to maintain risks within these thresholds while optimizing returns on the underlying assets and minimizing costs associated with liabilities. Risk range limits are established for each type of risk, and are approved by the Board's Finance, Investment and General Purpose Committee and subject to ongoing review.

The Company's risk management strategy is an integral part of managing the Company's core businesses, and utilizes a variety of risk management tools and techniques such as:

Measures of price sensitivity to market changes (e.g., interest rate and foreign exchange rate);

- Asset/Liability management;
- Periodic Internal Audit and Control, and;
- Risk management governance, including risk oversight committee, policies and guidelines, and approval limits.

In addition, the company monitors and manages the financial risks relating to the operations of the organization through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

(a) Financial asset valuation bases

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date 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 measured at fair value 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 are used 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 Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

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

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, analysed into Levels 1 to 3 based on the degree to which the fair value is observable.

December 31, 2022		Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(bi)	501,713	-	-	501,713
Non Current Asset Held for Sale	19	735,009	-	-	735,009
Total financial assets measured at fair value through profit or loss		1,236,722	-	-	1,236,722
Fair value through (OCI)					
Unquoted equities	7(bii)	568,032			568,032
Treasury bills	7(bii)	1,435,123	-	-	1,435,123
Federal government bond	7(bii)	4,462,228	-	-	4,462,228
ECL Impairment	7(bii)	(16,315)	-	-	(16,315)
Total financial assets measured at fair value through OCI		6,449,068	-	-	6,449,068
Total financial assets measured at fair value		7,685,790	-	-	7,685,790

December 31, 2021		Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(bi)	708,992	-	-	708,992
			-	-	-
Total financial assets measured at fair value through profit or loss		708,992	-	-	708,992
Fair value through (OCI)					
Unquoted equities	7(bii)	540,496			540,496
Treasury bills	7(bii)	1,376,002	-	-	1,376,002
Federal government bond	7(bii)	3,163,894	-	-	3,163,894
ECL Impairment	7(bii)	(2,943)			(2,943)
Total financial assets measured at fair value through OCI		5,077,448	-	-	5,077,448
Total financial assets measured at fair value		5,786,440	-	-	5,786,440

Financial instruments not measured at fair value
The fair value information for financial assets and financial liabilities not measured at fair value has not been disclosed because their carrying amount is a reasonable approximation of its fair value.

The financial assets and liabilities include:

Cash and cash equivalents
Cash and cash equivalents consists of cash on hand and current balances with banks. The carrying amount of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

Financial assets at amortised cost
Financial assets at amortised cost consists of placements with financial institutions, Federal Government bonds and staff mortgage loans. The carrying amount of asset at amortised cost 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 receivable in less than one year, are reasonable approximation of their fair values.

Bank overdrafts, 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.

(b) Financial risks
The Company is exposed to the following categories of risks:

i) Market risk

ii) Credit risk

iii) Liquidity risk

(i) Market risk
This reflects the possibility that the value of the investments will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its financial assets and comprises currency risk, interest rate risk and price risk.

Currency risk
This is the risk that the carrying of financial instruments may be affected by changes in foreign exchange rates.

The Company seeks to manage its exposures to risk through control techniques which ensure that the residual risk exposures are within acceptable tolerances agreed by the Board. A description of the risks associated with the Company's principal products and the associated control techniques is detailed below.

Foreign Currency risk
The Company accepts receipt of premiums in foreign currency, in addition to Naira,as a result, the Company is exposed to risk as exchange rates fluctuate. The Company also has bank balances denominated in foreign currency.

The Company has minimal exposure to currency risk as the Company's financial assets are primarily matched to the same currencies as its insurance and investment contract liabilities. However, foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies.

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

December 31, 2022	Pounds sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
Assets (Cash & Cash Equivalent)	-	(833)	10,570,595	10,569,762
Liabilities	-	-	(10,569,492)	(10,569,492)
	-	(833)	1,103	271

December 31, 2021	Pounds sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
Assets (Cash & Cash Equivalent)	7,382	3,408	10,899,776	10,910,566
Liabilities	-	-	(10,569,492)	(10,569,492)
	7,382	3,408	330,285	341,075

Foreign currency sensitivity analysis

The following table details the Company'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 held constant.

The following tables show the effect on the profit before tax as at December 31, 2022 from N476.33/€, N538.02/£ and N461.50/$ closing rate. These closing rates were determined from the Nigeria Autonomous Foreign Exchange Fixing (NAFEX) rate as at December 31, 2022.

December 31, 2022	Pounds sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
10% increase	-	(83)	110	27
10% decrease	-	83	(110)	(27)
Impact of increase on:				
Pre-tax Profit				723,524
Shareholders' Equity				14,228,604
Impact of decrease on:				
Pre-tax Profit				723,470
Shareholders' Equity				14,228,577

The tax impact of foreign exchange results is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the foreign exchange results for tax purposes.

December 31, 2021	Pounds sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
10% increase	738	341	33,028	34,107
10% decrease	(738)	(341)	(33,028)	(34,107)
Impact of increase on:				
Pre-tax (loss)/profit				373,917
Shareholders' Equity				13,434,217
Impact of decrease on:				
Pre-tax Profit				305,702
Shareholders' Equity				13,400,110

The tax impact of foreign exchange results is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the foreign exchange results for tax purposes.

Interest Rates Risk

The Company's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates.

Insurance liabilities and employee benefits do not form part of this profile. Although they are significant liabilities subject to interest rate risk, they are not financial instruments within the scope of IFRS 7.

Changes in interest rates result to reduction in income 'spread' or the difference between the amounts that the Company is required to pay under the contracts and the rate of return the Company is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Company's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of our liability cash flow profile.

Also, the Company manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate movements.

Furthermore, the Company uses sensitivity analytics to measure the impact of interest rate changes and movements on the value of our financial assets scenarios.

The Company is exposed to interest rate risk as it invests in fixed income and money market instruments.

Interest rate profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are stated below.

Financial instruments

	Note	2022 ₦'000	2021 ₦'000
Fixed Interest rate Instruments:			
Cash and Cash equivalents	6	16,657,798	15,060,525
Federal government bonds	7(c)	4,462,228	3,163,894
Treasury bills	7(b)	-	1,376,002
Mortgage loans	7(c)	137,493	130,747
Finance lease obligations	23(a)	(686)	(26,176)
Bank overdrafts	6	-	(17,007)
		21,256,832	19,687,985

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. A 0.5% 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.

	Fixed Interest Rate Analysis 2022 ₦'000	2021 ₦'000
Increase in interest rate by 50 basis points (+0.5%)	106,284	97,701
Decrease in interest rate by 50 basis points (-0.5%)	(106,284)	(97,701)
Impact of increase on:		
Pre-tax profit/(loss)	829,781	437,510
Impact of decrease on:		
Pre-tax profit/(loss)	617,213	242,109

The tax impact of interest rate movement is not included in the impact on shareholders equity as the final impact impact will depend on the tax status of the Company when it realises the impact of the interest rate results for tax purposes.

Equity price risk management
The Company 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.

Equity investments designated as fair value through other comprehensive income (OCI) are held for strategic rather than trading purposes. The Company has no significant concentration of price risk.

The carrying amounts of the Company's equity investments are as follows:

	Note	2022 ₦'000	2021 ₦'000
Equity Securities; - unquoted (fair value through OCI)	7(bii)	568,032	540,496
Equity Securities; - quoted (fair value through profit or loss)	7(bi)	501,713	708,992
		1,069,745	1,249,488

Equity price sensitivity analysis
The sensitivity analyses set out below show the impact of a 10% increase and decrease in the value of equities on profit before tax based on the exposure to equity price risk at the reporting date.

	2022 ₦'000	2021 ₦'000
10% increase	106,975	124,949
10% decrease	(106,975)	(124,949)
Impact of increase on:		
Pre-tax profit/(loss)	830,472	464,758
Impact of decrease on:		
Pre-tax profit/(loss)	616,523	214,861

The equity price risk is managed via an in-house stoploss limit approach.

The tax impact of interest rate movement is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the interest rate results for tax purposes.

(ii) Credit risk
Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

The Company is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

a **Credit quality analysis**

Credit risk grading

The Company uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Company use internal rating models tailored to the various categories of counterparty.

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The following are additional considerations for each type of portfolio held by the Company:

b **Expected credit loss measurement**

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

(i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

(ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note b(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.

(iii) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note b(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

(iv) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Company determines appropriate entityings when ECL is measured on a collective basis.

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

Change in credit quality since initial recognition

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

(i) **Significant increase in credit risk**

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

Quantitative criteria:

Lifetime PD Assessment

Changes in the lifetime PDs of exposures are evaluated and applied as one of the criterions for determining a significant increase in credit risk.

The Entity determines a change in the lifetime PDs by comparing the remaining lifetime PDs expected at initial recognition with the remaining lifetime PD at the reporting date. A lifetime PD threshold of 50% is used to assess changes for the determination of significant increase in credit risk. Exposures with changes above the preseleceted threshold are deemed to have experienced a significant increase in their credit risk.

Credit risk grades
The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.These factors vary depending on the nature of the exposure and the type of borrower.

Significant increase in credit risk is also determined through the use of notch differences.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.The monitoring typically involves use of the following data.

Qualitative criteria:
(i) Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
(ii) Actual or expected forbearance or restructuring
(iii) Actual or expected significant adverse change in operating results of the borrower
(iv) Employment Status (for loans only)
(v) Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/ loans (Days Past Due)

The assessment of SICR incorporates forward-looking information and is performed Periodically at a portfolio level for all financial instruments held by the Company. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop
A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

(ii) Definition of default
The Company considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

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

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

(i) The borrower is in long-term forbearance
(ii) The borrower is deceased
(iii) The borrower is insolvent
(iv) The borrower is in breach of financial covenant(s)
(v) An active market for that financial asset has disappeared because of financial difficulties
(vi) Concessions have been made by the lender relating to the borrower's financial difficulty
(vii) It is becoming probable that the borrower will enter bankruptcy
(viii) Financial assets are purchased or originated at a deep discount that reflects the incurred credit lossess.

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

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques
The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the

Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

(i) The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

(ii) EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

(iii) Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

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

(iv) Forward-looking information incorporated in the ECL models

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

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

In addition to the base economic scenario, the Company's Economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At January 1, 2022 and December 31, 2022, for all but two portfolios the Company concluded that three scenarios appropriately captured non-linearities. For portfolios (X) and (Y), the Company concluded that two additional downside scenarios were required. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see note b(i)). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. the Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

c **Credit risk exposure**

Maximum exposure to credit risk – Financial instruments subject to impairment

For ECL purposes, the bank's financial asset is segmented into sub-portfolios are listed below

- Mortgage loans
- Premium receivables
- Intercompany receivables
- Investment securities
- Placements with other banks

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the entity's maximum exposure to credit risk on these assets.

Mortgage loans

		2022					2021
ECL staging		Stage 1	Stage 2	Stage 3	Purchased		
		12-month ECL	Lifetime ECL	Lifetime ECL	credit- impaired	Total	Total
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Credit grade							
Investment grade	7(c)	**65,659**				**65,659**	75,227
Standard monitoring							
Special monitoring							
Default							
Gross carrying amount		**65,659**	-	-	-	**65,659**	75,227
Loss allowance	7(c)	**(5,256)**				**(5,256)**	(5,256)
Carrying amount		**60,402**	-	-	-	**60,402**	69,971

Investment Securities and Placements with other banks

	Stage 1	Stage 2	Stage 3	Purchased		
	12-month ECL	Lifetime ECL	Lifetime ECL	credit- impaired	Total	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Credit grade						
Investment grade	10,708,565				10,708,565	10,708,565
Standard monitoring						
Gross carrying amount	10,708,565	-	-	-	10,708,565	10,708,565
Loss allowance	(2,171)				(2,171)	(2,171)
Carrying amount	10,706,395	-	-	-	10,706,395	10,706,394

Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVTPL):

	Maximum exposure to credit risk ₦'000
Trading assets	
• Debt Securities	-
• Derivatives	-
Equity Investment	-
Financial assets designated at fair value	-
• Debt securities	-
• Loans and advances to customers	-
Total exposure	-

Investment securities
The entity holds investment securities measured at amortised cost with a carrying amount of ₦4.522 billion and at FVTOCI with a carrying amount of ₦2.024billion. The investment securities held by the entity are sovereign bonds and corporate bonds, which are not collateralised.

d **Loss allowance**
The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period (see note ii(e)).

e **Write-off policy**
The entity writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the entity's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

f **Modification of financial assets**
The entity sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer to notes 3(d)(iv)). The entity monitors the subsequent performance of modified assets. The entity may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The entity continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

g Financial assets based on credit risk

The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company transacts with only entities that have an investment grade rating and above.

This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

The credit risk on liquid funds and other near cash financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The majority of debt securities are investment grade and the company has very limited exposure to sub-standard credits.

Reinsurance assets are reinsurers' share of outstanding claims and reinsurance receivables. They are allocated below on the basis of ratings for claims paying ability.

Loans and receivables from policyholders, agents and intermediaries generally do not have a credit rating.

The following table shows aggregated credit risk exposure for assets with external credit ratings:-

Analysis of financial assets based on credit risk grades

31 December 2022

	Notes	AAA	AA	A+	A	BBB	B	Not rated	Carrying Amount
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Fair value through other comprehensive income (FVTOCI)									
- FGN Bond	7(c)	-	-	-	-	-	4,462,228	-	4,462,228
- Treasury bills (> 90 days)	7(b)	-	-	-	-	-	1,435,123	-	1,435,123
		-	-	-	-	-	5,897,350	-	5,897,350
Financial assets at amortised cost:									
- Mortgage Loans	7(c)	-	-	-	-	-	65,659	-	65,659
		-	-	-	-	-	65,659	-	65,659
Fair value through other comprehensive income (FVTOCI)									
- Unquoted equities	7(b)(ii)	-	-	-	-	-	568,032	-	568,032
		-	-	-	-	-		-	-
Cash and cash equivalents:									
- Bank balances	6	-	-	347,727		-	-	-	347,727
- Tenor Deposits (0-30 days)	6	-	-	16,657,798	-	-	-	-	16,657,798
		-	-	17,005,525	-	-	-	-	17,005,525
Reinsurance assets:									
Reinsurance claims recoverable	9	-	-	-	-	-	-	1,043,761	1,043,761
Trade/Insurance receivables	8	-	-	-	-	-	-	89,695	89,695
								1,133,456	1,133,455
- Statutory deposit with CBN	16	-	-	-	-	-	-	340,000	340,000
		-	-	-	-	-	-	340,000	340,000
									25,010,021

Analysis of financial assets based on credit risk grades

31 December 2021

	Notes	AAA	AA	A+	A	BBB	B	Not rated	Carrying Amount
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Fair value through other comprehensive income(oci)									
- FGN Bond	7(b)	-	-	-	-	-	3,163,894	-	3,163,894
- Treasury bills (> 90 days)	7(b)	-	-	-	-	-	1,376,002	-	1,376,002
		-	-	-	-	-	4,539,896	-	4,539,896
Loans and receivables:									
- Mortgage Loans	7(c)	-	-	-	-	-	75,227	-	75,227
		-	-	-	-	-	75,227	-	75,227
Fair value through other comprehensive income (FVTOCI)									
- Unquoted equities	7b(ii)	-	-	-	-	-	540,496	-	540,496
Cash and cash equivalents:									
- Bank balances	6	-	941,183	-	-	-	-	-	941,183
- Tenor Deposits (0-30 days)	6	-	15,060,525	-	-	-	-	-	15,060,525
		-	16,001,707	-	-	-	-	-	16,001,707
Reinsurance assets:									
Reinsurance claims recoverable	9	-	-	-	-	-	-	1,015,524	1,015,524
Trade/Insurance receivables	8	-	-	-	-	-		135,160	135,160
		-	-	-	-	-	-	1,150,683	1,150,683
- Statutory deposit with CBN	16	-	-	-	-	-	-	340,000	340,000
									22,648,009

Analysis of financial assets based on past due status

31 December 2022

Past due status	Notes	Assets carried at fair value other comprehensive income	Held to maturity	Other receivables less prepayments	Financial assets at amortised cost	Recoverable from reinsurers	Insurance/ trade receivables
			₦'000	₦'000	₦'000	₦'000	₦'000
Past due and impaired	11(b)		-	766,753	-	-	-
Past due more than 90 days	9		-	-	-	-	-
Past due 31 to 90 days	8		-	-	-	-	899,609
Past due less than 30 days			-	-	-	-	-
Neither past due nor impaired	7,11,9,8		-	-	4,522,630	1,043,761	89,695
Total Carrying Amount			-	766,753	4,522,630	1,043,761	989,304

31 December 2021

Past due status	Notes	Assets carried at fair value other comprehensive income	Held to maturity	Other receivables less prepayments	Financial assets at amortised cost	Recoverable from reinsurers	Insurance/ trade receivables
			₦'000	₦'000	₦'000	₦'000	₦'000
Past due and impaired	11(b)	-	-	1,345,398	-	-	-
Past due more than 90 days	9	-	-	-	-	-	-
Past due 31 to 90 days	8	-	-	-	-	-	284,215
Past due less than 30 days		-	-	-	-	-	-
Neither past due nor impaired	7,11,9,8	1,228,129	-	-	69,971	1,015,524	135,160
Total Carrying Amount		1,228,129	-	1,345,398	69,971	1,015,524	419,375

(iii) Liquidity risk

The Company's principal objective in managing our liquidity and our capital resources is to maximize the returns on capital to shareholders, while enabling us to pay claims, pay dividends, pay staff and fulfill our statutory obligations to our regulators and the different tiers of government in the environment in which we operate. Effective and prudent liquidity is a priority across the company.

Management monitors the liquidity of Royal Exchange General Insurance Limited on a daily basis and projects her financial needs over a multi-year time horizon through our quarterly budget and review process. We believe that the cash flows from the sources of fund available to the Company are sufficient to satisfy the current liquidity requirements of the Company, including under reasonably foreseeable stress scenarios.

In managing our liquidity (and of course our capital), we seek to:

- Match the profile of our assets and liabilities, taking into account the risks inherent in each line of product;
- Maintain financial strength to support new business growth whilst still satisfying the requirements of policyholders and regulators;
- Retain financial flexibility by maintaining strong liquidity, and;
- Allocate liquid resources efficiently to support growth while we pay claims and other commitments promptly.

Sources of Liquidity

In managing our cash flow position, we have a number of sources of liquidity, including the following principal sources:

- Premium Income;

- Investment income
- Investment assets

Application of funds
The principal uses of our liquidity include:
Payment for normal running of operations
- Payment of Claims
- Payment of Staff benefits;
- Purchase of investments' and;
- Payment in connection with financing activities.

The company's assets are mainly made up of cash and bank balances.

Maturity Profile
The following table shows the company's expected maturity for its non-derivative assets. The table has been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in a different period.

It also shows details of the expected maturity profile of the company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. It includes both interest and principal cash flows. It is noted that all equity investments have an undetermined maturity.

It should be noted that reinsurers' share of unearned premiums are excluded from this analysis.

31 December 2022	Notes	Carrying amount ₦'000	Contractual cashflow ₦'000	< 1 month ₦'000	1 - 3 months ₦'000	3 - 12 months ₦'000	1 - 5 years ₦'000	> 5 years ₦'000
Non-derivative financial assets								
Cash and cash equivalents	6	16,948,473	16,948,473	7,131,164	3,191,494	296,801	-	-
Fair value through other comprehensive income	7(b)	-	-	-	-	-	-	-
Financial assets at amortised cost	7(c)	4,522,630	-	-	-	4,522,630	-	-
Trade receivables	8	89,695	89,695	-	89,695	-	-	-
Asset held for sale	19	735,009					735,009	
Reinsurance assets - recoverable from reinsurers	9	1,043,762	-	-	-	1,043,762	-	-
Statutory deposits	16	340,000	340,000				340,000	
		23,679,568	17,378,167	7,131,164	3,281,188	5,863,193	1,075,009	-
Non-derivative financial liabilities								
Bank overdrafts	6	-	-	-	-	-	-	-
Trade payables	21	11,302,786	-	10,838,031	464,755	-	-	-
Finance lease obligations	23(a)	686	686	686	-	-	-	-
Other liabilities	22	829,181	829,181	829,181	-	-	-	-
		12,132,652	829,867	11,667,898	464,755	-	-	-
Gap (asset - liabilities)		11,546,916	16,548,300	(4,536,735)	2,816,434	5,863,193	1,075,009	-
Cumulative liquidity gap		41,060,407	36,766,819	32,230,084	35,046,518	40,909,712	41,984,721	

31 December 2021	Notes	Carrying amount ₦'000	Contractual cashflow ₦'000	< 1 month ₦'000	1 - 3 months ₦'000	3 - 12 months ₦'000	1 - 5 years ₦'000	> 5 years ₦'000
Non-derivative financial assets								
Cash and cash equivalents	6	15,980,243	15,980,243	7,131,164	3,191,494	296,801	-	-
Fair value through other comprehensive income	7(b)	1,228,129	-	-	-	1,228,129	-	-
Loans and receivables	7(c)	69,971	-	-	-	69,971	-	-
Trade receivables	8	135,160	135,160	-	135,160	-	-	-
Reinsurance assets - recoverable from reinsurers	9	1,015,525	-	-	-	1,015,525	-	-
Statutory deposits	16	340,000	340,000	-		-	340,000	-
		18,769,029	16,455,403	7,131,164	3,326,654	2,610,427	340,000	-
Non-derivative financial liabilities								
Bank overdrafts	6	17,007	17,007	17,007	-	-	-	-
Trade payables	21	10,886,461	-	10,569,492	316,970	-	-	-
Finance lease obligations	23(a)	26,176	26,176	26,176	-	-	-	-
Other Liabilities	22	1,473,231	1,473,231	1,473,231	-	-	-	-
		12,402,875	1,516,414	12,085,906	316,970	-	-	-
Gap (asset - liabilities)		6,366,154	14,938,989	(4,954,742)	3,009,684	2,610,427	340,000	-
Cumulative liquidity gap		29,513,491	20,218,519	15,263,777	18,273,460	20,883,888	21,233,888	-

Although the company has access to financing facilities, the company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets and other sources listed in “Sources of Liquidity” above.

Insurance risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Non-life insurance

The Company writes fire, general accident, oil & gas, engineering, bond, marine and motor risks primarily over a twelve month duration (usually longer for engineering policies). The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The concentration of non-life insurance by the location of the underlying risk is summarised below by reference to liabilities.

		Gross		Reinsurance		Net	
		2022	2021	2022	2021	2022	2021
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Non-life insurance							
- Within Nigeria	24(a)	5,197,024	4,694,850	1,935,330	1,818,151	3,261,694	2,876,699
- Outside Nigeria		-	-	-	-	-	-
		5,197,024	4,694,850	1,935,330	1,818,151	3,261,694	2,876,699

The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

		Gross		Reinsurance		Net	
		2022	2021	2022	2021	2022	2021
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Fire	24(a)	996,022	957,432	534,881	510,121	461,140	447,311
Accident	24(a)	528,173	537,779	90,051	111,831	438,122	425,948
Motor	24(a)	985,709	873,240	66,314	66,456	919,396	806,784
Marine	24(a)	597,595	551,548	223,882	187,668	373,713	363,880
Oil and Gas	24(a)	1,666,043	1,347,065	779,920	719,045	886,122	628,019
Engineering	24(a)	292,212	276,528	158,388	144,861	133,823	131,667
Bond	24(a)	13,400	10,602	11,025	5,301	2,375	5,301
Agric	24(a)	117,870	140,656	70,868	72,867	47,001	67,789
		5,197,024	4,694,850	1,935,330	1,818,151	3,261,692	2,876,699

		Gross		Reinsurance		Net	
		2022	2021	2022	2021	2022	2021
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Outstanding Claims (IBNR & reported)							
Fire	24(d)	535,015	528,465	327,313	346,311	207,702	182,153
Accident	24(d)	264,225	293,165	38,676	42,424	225,549	250,741
Motor	24(d)	318,928	318,364	39,654	44,436	279,274	273,928
Marine	24(d)	279,673	231,478	75,848	62,778	203,825	168,701
Oil and Gas	24(d)	1,019,210	724,304	434,188	375,546	585,022	348,758
Engineering	24(d)	94,352	108,348	54,314	67,945	40,038	40,403
Bond	24(d)	9,605	9,970	4,802	4,985	4,802	4,985
Agric	24(d)	114,942	135,093	68,965	71,099		
Total		2,635,950	2,349,187	1,043,760	1,015,524	1,546,212	1,269,669

		Gross		Reinsurance		Net	
		2022	2021	2022	2021	2022	2021
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Unexpired Risk							
Fire	24(b)	461,007	428,968	207,568	163,810	253,439	265,158
Accident	24(b)	263,948	244,614	51,375	69,407	212,574	175,207
Motor	24(b)	666,781	554,876	26,659	22,020	640,121	532,856
Marine	24(b)	317,922	320,070	148,034	124,891	169,888	195,180
Oil and Gas	24(b)	646,833	622,761	345,733	343,499	301,100	279,261
Engineering	24(b)	197,860	168,180	104,075	76,916	93,785	91,265
Bond	24(b)	3,795	632	6,222	316	(2,427)	316
Agric	24(b)	2,928	5,563	1,903	1,768	1,025	3,794
Total		2,561,074	2,345,664	891,569	802,627	1,669,505	1,543,036

Reserving Methods and Assumptions

To ensure the estimates calculated are not biased by the underlying assumptions of the model chosen, four different deterministic methods method were considered.

a Chain ladder Method

i The Basic Chain Ladder Method (BCL)

The Basic Chain Ladder method forms the basis to deterministic reserving methods explained below. For each class of business, historical paid claims were grouped into accident year cohorts-representing when they were paid after their accident year. These cohorts form the development triangles. Each accident years, paid years, paid claims were accumulated to the valuation date and projected to the valuation date and projected into the future to attain the expected ultimate claim arising in the year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the cummulated paid claims and the estimated ultimate claims.

ii The Inflation Adjusted Chain Ladder Method (IACL):

Under this method, the historical paid losses were adjusted to allow for inflation to the valuation date using the corresponding inflation index in each of the accident years. The inflation adjusted adjusted claims were then treated similarly to the Basic Chain Ladder described above. The projected incremental paid claims are then inflated based on our future inflation assumption to the expected future payment date.

iii Discounted Basic Chain Ladder (BCL) and inflation Adjusted Basic Chain Ladder (BCL) and inflation Adjusted Basic Chain Ladder (IABCL)

Historical claims paid were grouped into 10 years cohorts-representing when they were paid after the underwriting year. This is the discounted form of the BCL and IABCL. In determining the value, the future expected cash flow for claim payments is discounted to present day terms using our assumed discount rate.

b Loss Ratio Method

Under this method the ultimate claims is obtained by studying the historical loss ratios, investigating any differences and using judgements to derive a loss ratio. Paid claims already emerged were deducted from the estimated Ultimate claims to obtain the reserves.

c Bornhuetter-Ferguson Method

This method combines the estimates attained from the Chain Ladder and Loss Ratio methods. The BF methods takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, the more past information there is available, the higher the weighting given to the chain ladder estimate.

d Frequency and Severity Method

This method investigates the trend of the claim frequency and average cost per claim for each accident year. An average of the fully run off accident years was used as a guide on the ultimate claim frequency and and ultimate average cost which was then adopted for the accident years that are not fully run off.

Method selected-Discounted IABCL
The IBNR reserves are determined using deterministic callculations which provide a "best estimate" of the reserve. The "best-estimate" is determined by applying a combination of the Chain Ladder("CL) and the Bornhuetter-Ferguson ("BF") methods to attritional paid claims triangles. The combinaion between a CL and BF methods aims to reflect the reliability of information when estimating the IBNR.

For earlier accident years, where the development is reasonably mature, a CL approach was used which relied more heavily on the data to set the ultimate level of claims. For later accident periods where there

still exists a large degree of uncertainty about the ultimate level of claims and the reported to date is a less reliable estimate of the ultimate loss, a BF method is used which makes use of an estimate of the ultimate loss ratio.

Assumptions underlying the Valuation Methods

i Claims occur uniformly throughout the year for each class of business. This implies that claims occur on an average halfway through year

ii Future claims follow a regression pattern from the historical data.Hence, payment patterns will be broadly similar in each accident year. The proportionate increase in the known cumulative payments from one.

iii Development year to the next is used to calculate the expected cumulative payments for the future development period.

iv An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into the future.

v We assume gross claim amount includes all related claim expenses. If this is not the case, the Company will hold a separate reserve to cover claim expenses.

vi The UPR is calculated on assumption that the risk will occur evenly during the duration of the policy.

vii Under the Average Cost per claim method used in estimating large losses, the Company assumed the early years (e.g accident years 2007,2008) are fully developed.

viii The run off period is twelve (12) years and hence the method assumes no more claims will be paid subsequently.

C Capital Management
The Company's capital management framework is primarily based on statutory risk-based capital and solvency margin measures. The Company manages its capital to ensure that it continues as a going concern and complies with the regulators' capital requirements while maximizing the return to stakeholders through the optimization its equity balance.The capital structure of the company consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Company has been maintained and preserved over the reporting periods. The minimum regulatory capital for general insurers in Nigeria is N3billion.

The objectives, policies and processes for managing capital were unchanged. Under our capital management policy approved by the Board of Directors, the Managing Director and the Chief Financial Officer are authorized to approve capital actions on behalf of the company and to further delegate authority with respect to capital actions to appropriate officers. Any capital commitment that exceeds the authority granted to senior management is separately authorized by the Board.

The table below sets out the capital that is managed by the Company on regulatory basis:

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 position is as follows:

Solvency margin computation

	2022			2021
	₦'000	₦'000	₦'000	₦'000
	Total	Admissible	Inadmissible	Admissible
Admissible Assets				
Cash and cash equivalents	16,948,473	16,948,473	-	15,980,243
Financial assets:				
- At fair value through profit or loss	501,713	501,713	-	708,992
- At fair value through other comprehensive income	1,996,324	1,996,324	-	5,077,449
- Amortised cost	4,522,630	4,522,630	-	69,971
Trade receivables	89,695	89,695	-	135,160
Reinsurance assets	1,935,330	1,935,330	-	1,818,151
Deferred acquisition cost	364,467	364,467	-	362,286
Other receivables:	1,767,101	-	1,767,101	-
Investment in associates	230,622	230,622	-	455,039
Right of use asset	12,425	12,425	-	32,806
Investment properties	680,000	680,000	-	2,173,713
Property and equipment(L&B)	997,182	-	997,182	-
Property and equipment(EXCL L&B)	683,623	683,623	-	230,138
Intangible assets	130,590	130,590	-	64,556
Statutory deposit	340,000	340,000	-	340,000
Employees benefits assets	368,917	368,917	-	310,990
	31,569,093	**28,804,809**	**2,764,284**	27,759,494
Non Current Asset Held for Sale	735,009	735,009	-	-
A	**32,304,101**	**29,539,818**	**2,764,284**	27,759,494
Less: Admissible liabilities				
Insurance liabilities	5,197,023	5,197,023	-	4,694,850
Bank overdrafts	-	-	-	17,007
Deferred income	191,313	191,313	-	174,533
Trade and other payables	11,302,786	11,302,786	-	10,886,461
Provision and other payables	829,181	829,181	-	1,473,231
Finance lease obligations	686	686	-	26,176
Current income tax liabilities	269,905	269,905	-	261,460
Employees benefits obligations	41,719	41,719	-	45,099
Deferred tax liabilities	242,912	-	242,912	-
B	**18,075,525**	**17,832,613**	**242,912**	17,578,818
Solvency margin (A-B)	**14,228,576**	**11,707,205**	**2,521,371**	10,180,777
Minimum paid up capital	3,000,000	3,000,000	-	3,000,000
Net premium	6,002,028			-
15% of Net premium	900,304			-
Excess/ (Deficit) solvency margin	**11,228,576**	**8,707,205**	**-**	7,180,777

The company's solvency margin of ₦11,707,205,000 (2021: ₦10,180,777,000) is above the minimum paid-up capital of N3,000,000,000 (2021: N3,000,000,000) prescribed by the Insurance Act of Nigeria.

D Financial assets and liabilities

Accounting classification, measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

31 December 2022

Past due status	Notes	Financial assets at amortised cost	Designated at fair value	Available-for-sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	6	16,948,473	-	-	-	16,948,473	16,948,473
Financial assets	7	4,522,630	501,713	-	-	5,024,343	5,024,343
Trade receivables	8	89,695	-	-	-	89,695	89,695
Asset held for sale	19	735,009				735,009	735,009
Other receivables less prepayments	11	898,949	-	-	-	898,949	898,949
Statutory deposits	16	340,000	-	-	-	340,000	340,000
Reinsurance assets	9	1,043,761	-	-	-	1,043,761	1,043,761
		24,578,516	501,713	-	-	25,080,228	25,080,228
Bank overdrafts	6	-	-	-	-	-	-
Trade payables	21	-	-	-	11,302,786	11,302,786	11,302,786
Other liabilities	22	-	-	-	829,181	829,181	829,181
		-	-	-	12,131,966	12,131,966	12,131,966

31 December 2021

Past due status	Notes	Financial assets at amortised cost	Designated at fair value	Available-for-sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	6	15,980,243	-	-	-	15,980,243	15,980,243
Financial assets	7	69,971	708,992	-	-	778,963	778,963
Trade receivables	8	135,160	-	-	-	135,160	135,160
Other receivables less prepayments	11	1,089,550	-	-	-	1,089,550	1,089,550
Statutory deposits	16	340,000	-	-	-	340,000	340,000
Reinsurance assets	9	1,015,524	-	-	-	1,015,524	1,015,524
		18,630,447	708,992	-	-	19,339,439	19,339,439
Bank overdrafts	6	-	-	-	17,007	17,007	17,007
Trade payables	21	-	-	-	10,886,461	10,886,461	10,886,461
Other liabilities	22	-	-	-	1,473,231	1,473,231	1,473,231
		-	-	-	12,376,699	12,376,699	12,376,699

6 Cash and cash equivalents

		2022 ₦'000	2021 ₦'000
	Cash in hand	194	324
	Bank balances	347,727	941,183
	Short-term deposits (including demand and time deposits)	16,657,798	15,060,525
	ECL Impairment loss on short-term deposit	(57,247)	(21,788)
	Cash and cash equivalents (as per statement of financial position)	**16,948,473**	15,980,243
6a	Borrowings		
	Bank overdraft (See 6a(i))		(17,007)
	Cash and cash equivalents (as per statement of cash flows)	**16,948,473**	15,963,236
6a(i)	Movements in bank loan during the year is as follows		
	At January 1	**17,007**	32,699
	Addition during the year	-	-
	Interest capitalized	-	-
	Repayment during the year	**(17,007)**	(15,692)
	At 31 December	-	17,007

Short–term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. All deposits were subject to an average variable interest rate of 6% (2021: 6%).

6(b)	Movement in ECL impairment loss on short on short- term deposit	2022 ₦'000	2021 ₦'000
	Balance at the beginning of the year	21,788	376
	Impairment charge/(reversal) during the year	35,459	21,412
		57,247	21,788

7 Financial assets

	2022 ₦'000	2021 ₦'000
Fair value through profit or loss (FVTPL) (see note 7(b)(i) below	501,713	708,992
Fair value through other comprehensive income (FVOCI) (see note 7(b)(ii) below	1,996,324	5,077,449
Loans and receivables at amortised cost (see note 7(c) below	4,522,630	69,971
Total financial assets	**7,020,667**	5,856,412
Within one year	-	1,228,129
More than one year	**7,020,667**	4,628,283
	7,020,667	5,856,412

7a(ii) The company's investments in unlisted equities are carried at fair value in line with IFRS 9 and IFRS 13. Quoted investments are carried at fair value with the changes recognised in profit or loss.

7b(i) Fair value through profit or loss (FVTPL)

	2022 ₦'000	2021 ₦'000
Quoted equities	**501,713**	708,992
	501,713	708,992

7b(ii) Fair value through other comprehensive income (FVOCI)

	2022 ₦'000	2021 ₦'000
Federal Government bonds	-	2,145,223
Corporate Bonds	-	1,018,670
Treasury bills(FG)	-	1,228,129
Corporate Commercial paper	1,435,123	147,873
Unquoted equities	568,032	540,496
Expected Credit loss impairment (See 7(biii)	(6,831)	(2,943)
	1,996,324	5,077,449

7b(iii) Movement in ECL impairment loss

	2022 ₦'000	2021 ₦'000
Balance at the beginning of the year	2,943	9,671
Impairment charge/(reversal) during the year- treasury bills	-	-
Impairment charge/(reversal) during the year- CP	3,888	(6,728)
Balance at the end of the year	**6,831**	2,943

7(c) Amortised cost

	2022 ₦'000	2021 ₦'000
Federal Government bonds	3,414,215	-
Corporate Bonds	1,048,012	-
Staff mortgage loans	137,493	130,747
Expected Credit loss impairment (See 7(ci)	(16,315)	-
Prepaid(EIR)	(55,520)	(55,520)
ECL Impairment on staff mortgage loan	(5,256)	(5,256)
	4,522,630	69,971

7c(i) Movement in ECL impairment loss on amortised cost

	2022 ₦'000	2021 ₦'000
Balance at the beginning of the year	5,256	4,879
Impairment charge/(reversal) during the year	16,315	377
Balance at the end of the year	**21,571**	5,256

7(d) The movement in financial assets are summarized as follows:-

2022	Fair value through profit or loss ₦'000	Financial assets at amortised cost ₦'000	Fair value through OCI ₦'000	Total ₦'000
As at January 1	708,992	69,972	5,077,449	5,856,413
Additions/(Recoveries) during the year	-	4,468,972		4,468,972
Disposal (sales & redemptions)	(161,542)	-	(3,104,773)	(3,266,315)
Impairment write-back/(allowance) for the year		(16,315)	(3,888)	(20,203)
Fair value gain/(loss) recognised in profit or loss	(45,737)	-	-	(45,737)
Fair value gain recognised in OCI	-	-	27,536	27,536
Foreign exchange gains recognised in profit or loss		-	-	-
As at 31 December	501,713	4,522,630	1,996,324	7,020,667

2021	**Fair value through profit or loss ₦'000**	**Financial assets at amortised cost ₦'000**	**Fair value through OCI ₦'000**	**Total ₦'000**
As at January 1	756,657	93,735	4,288,656	5,139,047
Additions/(Recoveries) during the year	-	12,276	1,318,447	1,330,723
Interest accrued	-	-	-	-
Disposal (sales & redemptions)	(36,033)	(35,662)	-	(71,695)
Impairment write-back/(allowance) for the year	-	(377)	-	(377)
Fair value gain recognised in profit or loss	(11,633)	-	-	(11,633)
Fair value gain recognised in OCI	-	-	(529,653)	(529,653)
As at 31 December	708,992	69,972	5,077,449	5,856,413

8 Trade receivables

	2022 ₦'000	2021 ₦'000
Due from brokers (see note 8(b) below)	78,827	135,160
Due from co-insurers (see note 8(c) below)	10,868	-
	89,695	135,160
Within 30 days	89,695	135,160
Above 30 days	-	-
	89,695	135,160

8a Age analysis of trade receivables:

	No. of Policies	Amount ₦'000
Age of Debt		
Due from Brokers:		
Days		
Within 14 Days	66	30,941
Within 15 - 30 Days	71	47,887
	137	78,828
Due from Conisurer		
Within 15 - 30 Days	1	10,929
Total	138	89,756

8(b) The analysis of due from brokers is as follows:

	2022 ₦'000	2021 ₦'000
Due from insurance brokers	324,618	380,951
Due from insurance agents	-	-
Due from co-insurers-(Note 8(b))	-	-
Less: ECL Impairment allowance (see note 8b(i) below)	(245,791)	(245,791)
	78,827	135,160

8b(i) The movements in impairment allowance on amount due from agents is analysed below;

	2022 ₦'000	2021 ₦'000
At January 1	245,792	109,308
Impairment allowance	-	136,484
Recovery made during the year	-	-
At 31 December	**245,792**	245,792

Recovery relates to receipt on trade premium receivables from brokers during the year

(c) Due from co-insurers

	2022 ₦'000	2021 ₦'000
Reinsurance receivables	664,686	653,818
Less: Impairment allowance (see note (8c)(i) below)	(653,818)	(653,818)
	10,868	-

c(i) The movements in impairment allowance on reinsurance receivables is analysed below;

	2022 ₦'000	2021 ₦'000
At January 1	653,818	843,743
Recovery made during the year	-	(189,925)
Impairment made during the year	-	-
Reclassification to other asset	-	-
At 31 December	**653,818**	653,818

The reclassification represents old legacy reinsurance balance

9 Reinsurance assets

	2022 ₦'000	2021 ₦'000
Prepaid reinsurance premium (see note 9(a))	891,569	802,627
Reinsurers' share of claims expenses outstanding (see note 9(b))	206,579	238,919
Reinsurers' share of incurred but not reported claim (see note 9(c))	837,182	776,605
	1,935,330	1,818,151

(a) The movement in prepaid reinsurance premium is shown below:

	2022 ₦'000	2021 ₦'000
At January 1	802,628	451,905
Movement during the year (see note 32)	88,940	350,723
At 31 December	**891,569**	802,628

(b) The movement in reinsurer's share of outstanding claims is shown below:

	2022 ₦'000	2021 ₦'000
At January 1	238,918	586,681
Movement during the year (see note 34(c))	(32,338)	(347,763)
At 31 December	**206,579**	238,918

(c) The movement in reinsurer's share of incurred but not reported claim is shown below:

	2022 ₦'000	2021 ₦'000
At January 1	776,605	705,463
Movement during the year (see note 34(c))	60,577	71,142
At 31 December	**837,182**	776,605

(d) **Analysis of reinsurance assets by business classes are as follows:**

	2022 ₦'000	2021 ₦'000
Fire	534,881	510,121
General Accident	90,051	111,831
Motor	66,314	66,456
Marine	223,882	187,668
Oil & Gas	779,920	719,045
Engineering	158,388	144,861
Bond	11,025	5,301
Agric	70,868	72,867
	1,935,330	1,818,151
Within one year	**1,935,330**	1,818,151
More than one year	-	-
	1,935,330	1,818,151

Reinsurance assets are valued after an allowance for their recoverability.

10 Deferred acquisition cost

This represents the unexpired portion of the commission paid to brokers and agents as at the reporting date.

	2022 ₦'000	2021 ₦'000
At January 1	362,286	225,256
Additions in the year	2,452,524	2,212,394
Amortization in the year	(2,450,343)	(2,075,364)
At 31 December	**364,467**	362,286

(a) **Analysis of deferred acquisition cost by class of insurance are as follows:**

	2022 ₦'000	2021 ₦'000
Fire	83,364	80,499
Accident	47,360	42,823
Motor	46,732	38,846
Marine and aviation	22,284	41,780
Oil & Gas	124,742	124,544
Engineering	38,844	33,188
Bond	716	11
Agric	426	595
	364,467	362,286

11(a) Other receivables and prepayment

	Gross amount December 31, 2022 (a) ₦'000	Opening Impairment (b) ₦'000	Addition (c) ₦'000	write-back (d) ₦'000	Total (e)=(b)+(c)+(d) ₦'000	Carrying amount December 31, 2022 (f)=(a)-(e) ₦'000	Carrying amount December 31, 2021 ₦'000
Intercompany receivables (See note 11(a) below)	365,197	51,881	-	-	51,881	313,316	378,650
Accrued investment income (See note 11b(i) below)	57,857	26,635	-	-	26,635	31,222	1,135
Sundry receivables (See note 11c(i) below)	1,288,422	766,753	-	-	766,753	521,669	19,163
Security Holding Trust account (see 11(d) below)	527,079	27,079	-	-	27,079	500,000	500,000
Prepayments (See 11(e) below)	400,894	-	-	-	-	400,894	164,828
	2,639,449	872,348	-	-	872,348	1,767,101	1,063,777

11(b) Other receivables and prepayment (December 31, 2021)

	Gross amount December 31, 2021 (a) ₦'000	Opening Impairment (b) ₦'000	Addition (c) ₦'000	write-back (d) ₦'000	Total (e)=(b)+(c)+(d) ₦'000	Carrying amount December 31, 2021 (f)=(a)-(e) ₦'000	Carrying amount December 31, 2020 ₦'000
Intercompany receivables (See note 11(a) below)	430,531	51,881	-	-	51,881	378,650	572,428
Accrued investment income (See note 11 b (i) below)	27,770	26,635	-	-	26,635	1,135	-
Sundry receivables (See note 11 c (i) below)	785,916	766,753	-	-	766,753	19,163	17,122
Security Holding Trust account (see 11(d) below)	527,079	27,079	-	-	27,079	500,000	500,000
Prepayments (See 11(e) below)	164,828	-	-	-	-	164,828	128,903
	1,936,124	872,348	-	-	872,348	1,063,777	1,218,453

11(a) Intercompany receivables

	2022 ₦'000	2021 ₦'000
Royal Exchange Prudential Life Assurance	15,051	18,845
Royal Exchange Healthcare Ltd	-	61,540
Royal Exchange PLC	350,146	350,146
ECL Impairment: intercompany receivables	(51,881)	(51,881)
	313,316	378,650

The amount receivable from Royal Exchange Plc represents the inter-company funding advanced to Royal Exchange Plc by the Company for its operational activities.

The intercompany balances do not attract any interest charges. They have repayment plan that is effective 2023 to offset the outstanding due to Royal Exchange General Insurance Company Limited in cash and /or by offsetting with other payables to the company

11(b) Accrued Investment Income

	2022 ₦'000	2021 ₦'000
Dividend receivables	57,857	27,770
Impairment allowance (see note 11b(i)	(26,635)	(26,635)
At 31 December	**31,222**	1,135

11b(i) The movements in impairment allowance on dividend receivable is analysed below

	2022 ₦'000	2021 ₦'000
At January 1	26,635	26,635
Allowance made during the year	-	-
At 31 December	**26,635**	26,635

Impairment allowance relates to dividend income accrued on various quoted equities. Accrued dividend income ages above 365days and recoverability is doubtful.

11c (i) Other receivable is made up of the following balances

	2022 ₦'000	2021 ₦'000
Receivable from Security Holding Trust	27,079	27,079
Interest on Security Holding Trust	16,761	16,761
REA Property account	624,029	624,029
Receivable from legacy company's bank (Pheonix and Apico)	27,726	27,726
WHT Receivable account	23,113	43,233
Others	718,709	738,828

The movements in impairment allowance on other receivables is analysed below

	2022 ₦'000	2021 ₦'000
At January 1	766,753	766,753
Impairment during the year	-	-
Reclassification of Legacy Reinsurer		-
Write back during the year	-	
Write back of other receivables		-
At 31 December	**766,753**	766,753

11(d) Security holding trust account relates to amounts receivable from Security Holding Trust in respect of an investment in a proposed staff share incentive scheme which is a subject of litigation in suit FHC/L/CS/5479/08 in which Royal Exchange Plc is a defendant. Assets in cash dividends of N100.61million (2021: N100.61 million) and ordinary shares of Royal Exchange Plc with market value of N500 million (2021: N500 million) as at December 31, 2022 are being held as guarantee that value will not be lost. The above matter is still pending for hearing in Supreme court .

11(e) Prepayment

	2022 ₦'000	2021 ₦'000
Prepaid furniture allowance	26,128	31,598
Prepaid rent allowance	31,560	43,839
Prepaid staff benefit	57,022	57,022
Prepaid expenses	286,184	32,369
	400,894	164,828

11(f) Analysis of other receivables fully impaired

	Gross amount (a) ₦'000	At January 1 (a) ₦'000	Addition (b) ₦'000	(Write-back)/ Addition (c) ₦'000	At December 31, 2022 (d) =(a)+(b)+(c) ₦'000	Carrying Amount Dec 2022 (f) =(a)-(d) ₦'000	2021 ₦'000
Security holding trust (incidental expenses)	-	27,079	-	-	27,079	-	27,079
Accrued investment income	-	8,267	-	-	8,267	-	8,267
Short term placements (Phoenix insurance)	-	416,631	-	-	416,631	-	416,631
Short term placements (Failed Banks)	-	46,578	-	-	46,578	-	46,578
REA property account	-	16,761	-	-	16,761	-	16,761
Interest receivable on legal suit	-	12,296	-	-	12,296	-	12,296
Unlisted debentures	-	154,919	-	-	154,919	-	154,919
Amount to be recovered from exited staff	-	2,044	-	-	2,044	-	2,044
Accrued rental income	-	16,854	-	-	16,854	-	16,854
PAYE Suspense	-	65,324	-	-	65,324	-	65,324
Legacy reinsurance balances					-		-
Impairment on other receivables	-	766,753	-	-	766,753	-	766,753
Dividend receivables	-	26,635	-		26,635		26,635
ECL Impairment: Intercompany receivables	-	51,881	-		51,881		51,881
Total impairment on other receivables	-	845,269	-	-	845,269	-	845,269

12 Investment in associates

(a) The movement in balances of investment in equity accounted investee are as shown below:

2022	CBC EMEA ₦'000	REHL ₦'000	TOTAL ₦'000
At January 1	226,344	228,694	455,039
Share of current year other comprehensive income	-	-	-
	226,344	228,694	455,039
Share of current year profit or loss	4,278	-	4,278
Recognised in profit or loss			
Disposal of investment in associates	-	(228,694)	(228,694)
At 31 December	230,622	-	230,622

The company disposed her interest in respect of investment in assciates (Royal Exchange Healthcare Company Limited now Dot HMO) and investment property located at No.2 Bank Road Kano was given as consideration for sales proceed of which Royal Exchange General Insurance share was N136m.

	₦'000
Investment in associates	228,694
REGIC share of REHL Investment Property	(135,564)
Loss on disposal (a)	**93,130**
Write-off of intercomapny balance (b)	16,540
Total loss C = (a) + (b)	**109,670**

2021	CBC EMEA ₦'000	REHL ₦'000	TOTAL ₦'000
At January 1	226,344	226,800	453,144
Share of current year other comprehensive income	-	-	-
	226,344	226,801	453,144
Prior year adjustment			-
Share of current year profit or loss	-	1,895	1,895
At 31 December	226,344	228,694	455,039

(b) An analysis of investment in associates as at year end is as shown below

	Value of equities ₦'000	Percentage holding %
Name of entity		
Royal Exchange Healthcare Limited (see note 12(a)below)	-	
CBC EMEA Limited (see note 12(b)below)	230,622	26.1%
At 31 December	230,623	26.1%

(b) (ii) This represents the Company's investment in the ordinary shares of City Business Computers EMEA Limited (CBC EMEA) incorporated in Nigeria, representing 26.10% (December 2021: 26.10%) equity interest in the Company. The investee company has December 31, year end.

REHL	2022 ₦'000	2021 ₦'000
Percentage ownership interest	-	33%
Non-Current Assets	-	622,533
Current Assets	-	316,190
Non-Current Liabilities	-	(32,180)
Current Liabilities	-	(366,039)
Net assets	-	540,504
Company's share of net assets	-	178,366
Net premium income	-	132,386
Total underwriting expenses	-	(149,629)
Total income	-	145,618
Total expenses	-	(122,632)
Profit before tax from continuing operations	-	5,743
Taxation	-	-
Profit after tax from continuing operations	-	5,743
Other comprehensive income net of tax	-	-
Total comprehensive income	-	5,743
Company's share of total comprehensive income	-	1,895
Company's share of other comprehensive income	-	-
Company's share of profit	-	1,895

Royal Exchange General Insurance Limited 33% equity interest in Royal Exchange HealthCare Limited (REHL) was disposed to a company named Atom Consumer Services Limited (now DOT HMO) in year 2022.

The summarised financial information of the entities are as set out below:

CBC EMEA	2022 ₦'000	2021 ₦'000
Percentage ownership interest	0.261	0.261
Non-Current Asset	2,209,191	-
Current Asset	765,458	-
Non-Current Liabilities	(1,039,382)	-
Current Liabilities	(210,591)	-
Net assets	1,724,676	-
Company's share of net assets	450,140	-
Revenue	195,899	-
(Loss)/profit from continuing operations	16,390	-
Other comprehensive (loss)/income	-	-
Dividend received	-	-
Total comprehensive income	16,390	-
Company's share of total comprehensive income	4,278	-
Company's share of other comprehensive income	-	-
Company's share of profit	4,278	-

b (iii) With respect to the 2021, we are unable to recognize the company's share of net assets and total comprehensive income because CBC EMEA audited financial statements for the year 2021 has not been concluded as at the date of signing of the financial statements for year 2021.

13 Investment properties

	2022 ₦'000	2021 ₦'000
At January 1	3,856,305	3,856,706
Addition during the year		
Disposals during the year (See note 13(a))	(2,760,476)	-
Reclassification to Asset Held for sale	(423,909)	-
Fair value gains/(loss)	8,080	(401)
At December 31,	**680,000**	3,856,305

13(a) Disposal during the year

	2022 ₦'000	2021 ₦'000
Proceeds on disposal	3,335,000	-
Less: Gain on disposal of investment properties	(486,274)	-
Less: Incidental expenses on disposal (see note 47(l))	(88,250)	-
Disposal during the year	**2,760,476**	-

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

Investment properties location	Name of valuer	Address of Valuer	FRC NOS.	NIESVA Reg. no	2022	2021
					₦'000	₦'000
No. 2 Post Office Road, Kano	Yayok Associates Estate Surveyor & Valuer	Suite B7, Halima Plaza, behind Sahad Stores, Balanga, Abuja	FRC/2013/ NIESV/00000000834	A-1277	-	423,909
No. 7, Usuma Cresent Maitama Abuja	Emeka Orji Partnership	Suite 9G, 9th floor, Ahmed Talib House (NNDC) 18/19 Ahmadu Bello Way, Kaduna	FRC/2013/ NIESV/00000000976	A-1672	-	645,000
No 1, Eleko Close, Ikoyi,Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/ NIESV/00000000730	A-1878	-	650,539
No. 2, Eleko Close Ikoyi Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/ NIESV/00000000730	A-1878	-	849,897
No. 26, Abduraman Okene Cresent,Victoria Island, Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/ NIESV/00000000730	A-1878	680,000	671,920
No 6A/6B Usman Crescent, Mataima, Abuja	Emeka Orji Partnership	Suite 9G, 9th floor, Ahmed Talib House (NNDC) 18/19 Ahmadu Bello Way, Kaduna	FRC/2013/ NIESV/00000000976	A-1672	-	615,040
					680,000	3,856,305

13(c) Movement in investment properties are shown below:

Property details	Status of title	Balance as at January 1, 2022	Addition/ (Disposal) during the year	Reclassification to Asset Held for sale	Fair value gain	Balance as at January 31, 2022
		₦'000	₦'000	₦'000	₦'000	₦'000
No. 2 Post Office Road, Kano	Deed of assignment	423,909		(423,909)		-
No. 7, Usuma Cresent Maitama Abuja	Deed of assignment	645,000	(645,000)	-	-	-
No 1, Eleko Close, Ikoyi,Lagos	Deed of assignment	650,539	(650,539)	-	-	-
No. 2, Eleko Close Ikoyi Lagos	Deed of assignment	849,897	(849,897)	-	-	-
No. 26, Abduraman Okene Cresent,Victoria Island, Lagos	Deed of assignment	671,920	-	-	8,080	680,000
No 6A/6B Usman Crescent, Mataima, Abuja	Deed of assignment	615,040	(615,040)	-	-	-
12 Post Office, Kano			-			-
		3,856,305	(2,760,476)	(423,909)	8,080	680,000

14 Property and equipment

	Leasehold Land ₦'000	Freehold buildings ₦'000	Computer Equipment ₦'000	Furniture & Fittings ₦'000	Motor vehicles ₦'000	Total ₦'000
Cost						
At January 1, 2022	144,145	1,107,884	180,262	249,979	252,688	1,934,957
Additions		6,726	121,081	149,807	365,592	643,207
Disposals			(1,236.25)	(5,820)	(37,000)	(44,057)
At December 31, 2022	144,145	1,114,610	300,107	393,966	581,280	2,534,107
At January 1, 2021	144,145	1,107,884	132,159	226,747	124,632	1,735,567
Additions		-	48,102	23,231	128,056	199,390
Disposals						-
At December 31, 2021	144,145	1,107,884	180,262	249,979	252,688	1,934,957
Depreciation						
At January 1, 2022	-	239,423	122,549	218,156	112,088	692,215
Charge for the year	-	22,150	39,418	22,214	94,881	178,663
Reclassification to Right of use	-	-		-	-	-
Disposals	-	-	(249)	(1,024)	(16,305)	(17,578)
At December 31, 2022	-	261,573	161,719	239,346	190,664	853,300
At January 1, 2021	-	217,326	109,532	212,155	65,772	604,784
Charge for the year	-	22,097	13,017	6,001	46,316	87,430
Disposals		-	-	-	-	-
At December 31, 2021	-	239,423	122,549	218,156	112,088	692,213
NBV						
At December 31, 2022	144,145	853,038	138,388	154,620	390,616	1,680,806
At December 31, 2021	144,145	868,461	57,715	31,823	140,600	1,242,744

14(i)	Right of use Assets	2022 ₦'000	2021 ₦'000
	Right of use Asset- Rent Prepayment (See note 14 (iii))	4,452	6,678
	Right of use Asset-{See note 14(ii))	7,973	26,127
	At 31 December	**12,425**	32,806

		2022 ₦'000	2021 ₦'000
14 (ii)	At January 1, 2022	432,778	453,158
	Additions	-	-
	Termination of contract	-	(20,380)
	Disposal	(15,000)	
	At December 31, 2022	**417,778**	432,778
	Depreciation Charge		
	At January 1, 2022	406,651	390,626
	Termination of contract	-	(6,049)
	Charge for the period	15,002	22,073
	Disposal	(11,848)	-
	At December 31, 2022	**409,805**	406,651
	Carrying Amount		
	At December 31, 2022	**7,973**	26,127
	At December 31, 2021	**26,127**	62,531

		2022 ₦'000	2021 ₦'000
14 (ii)a	Amounts recognised in profit or loss		
	Depreciation expense on right-of-use assets	15,002	22,073

		2022 ₦'000	2021 ₦'000
14 (iii)	Long term lease prepayment		
	At January 1, 2022	6,678	8,941
	Addition	-	-
	Prepayments amortisation on long term leases	(2,226)	(2,262)
	At December 31, 2022	**4,452**	6,678

15 Intangible assets

	2022 ₦'000	2021 ₦'000
Cost:		
At January 1	241,566	165,007
Addition	85,024	76,558
At 31 December	**326,590**	241,566
Accumulated amortisation:		
At January 1	177,009	165,007
Charge for the year (see note 40)	18,991	12,002
At 31 December	**196,000**	177,009
At 31 December	**130,590**	64,556

All Company's intangible assets represents purchased software.

16 Statutory Deposit

In line with section 10 (3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance.

	2022 ₦'000	2021 ₦'000
Deposits with Central Bank of Nigeria	340,000	340,000
	340,000	340,000

17 Employee retirement benefits

The Company operated two(2) employee retirement benefit schemes. The Company operate defined benefit staff pension plan based pension scheme prior to the New Pension Reform Act 2004, for pensionable employees who were in service prior to the introduction of contributory pension scheme.

The Company offers its employees defined benefit plan in the form of long service awards.The plan entitles employee who have spent 10 years and above in the service of the Company to specified awards. This benefit is awarded in different categories depending the number of years in service.

The employee benefit obligations are actuarially determined at the year end by Logic Professional Services with FRC number FRC/2017/NAS/00000017548. The actuarial valuation is computed based on the “Projected Unit Credit” method. Gains and losses of changes in actuarial assumptions are charged to other comprehensive income. These defined benefit plans exposes the Company to actuarial risks, such as interest rate risks and market risks.

(a) The details of the employee benefit obligations are as below:

	2022 ₦'000	2021 ₦'000
Employees retirement benefits(see note 17(d))	368,917	310,990
Long Service Award (Outstanding liability)	(41,719)	(45,099)

(b) Company's Asset for:-

	2022 ₦'000	2021 ₦'000
– Pension benefits (note 17(d)	541,053	507,377
Total	541,053	507,377

(c) Company's obligations for:-

	2022 ₦'000	2021 ₦'000
– Pension benefits (see note 17(d))	(172,136)	(196,387)
– Long Service Award (see note 17(f))	(41,719)	(45,099)
Total Company's obligation	(213,855)	(241,486)
Amount expenses in profit or loss-		
– Pension benefits	(40,429)	(20,573)
– Long Service Award	695	20,318
Total	(39,734)	(255)
Gain/ (loss) on other comprehensive income		
-Adjustments for Net Pension Assets	17,497	33,250
-Adjustments for Long-Service Awards Obligations	4,075	2,113
Total (see note 30)	21,572	35,363

(d) Pension benefits

The amounts recognised in the statement of financial position are determined as follows:

	2022 ₦'000	2021 ₦'000
Present value of funded obligations	(172,136)	(196,387)
Fair value of plan assets	541,053	507,377
Asset in the statement of financial position	368,917	310,990
Current	-	-
Non-current	368,917	310,990
Asset in the statement of financial position	368,917	310,990

The movement in the defined benefit obligation over the year is as follows:

	2022 ₦'000	2021 ₦'000
At January 1	196,387	232,925
Current service cost		
Interest cost	23,557	17,593
Actuarial losses/(gains)-Assumption	(4,135)	(65,509)
Actuarial losses/(gains)-Experience	(23,327)	36,468
Benefits paid by the Fund	(20,345)	(25,090)
At 31 December	172,136	196,387

	2022 ₦'000	2021 ₦'000
The movement in the fair value of plan assets of the year is as follows:		
At January 1	507,377	490,092
Expected return on plan assets	63,985	38,166
Employer contributions	-	
Benefit paid from the fund	(20,345)	(25,090)
Actuarial Gains/(Losses)	(9,965)	4,209
At 31 December	541,053	507,377

	2022 ₦'000	2021 ₦'000
The amounts recognised in the profit or loss are as follows:		
Current service costs		
Net interest costs/income:		
- Interest costs	(40,429)	(20,573)
At 31 December	(40,429)	(20,573)

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	13.5%	13.0%
Future pension increases	3.0%	3.0%
Inflation rate	13.5%	12.0%

The average life expectancy in years of a pensioner retiring at age 65, at the end of the reporting period is as follows:

	2022	2021
Male	78	78
Female	83	83

(f) Long Service Awards

	2022 ₦'000	2021 ₦'000
Present value of funded obligations	(41,719)	(45,099)
Liability in the statement of financial position	41,719	45,099
Current	-	-
Non-current	(41,719)	(45,099)
Liability in the statement of financial position	(41,719)	(45,099)

The movement in the defined benefit obligation (long service award) during the year is as follows:

Company's Asset for:-	2022 ₦'000	2021 ₦'000
At January 1	45,099	26,893
Current service cost	4,576	2,806
Interest cost	5,307	1,989
Benefits paid	(9,188)	15,523
Actuarial losses/(gains)	(4,075)	(2,113)
At 31 December	41,719	45,099

The amounts recognised in the profit or loss are as follows:	2022 ₦'000	2021 ₦'000
Current service costs	4,576	2,806
- Interest costs	5,307	1,989
At 31 December	9,883	4,795

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	13.5%	13.0%
Future salary increases	13.0%	12.0%

18 Deferred Taxation

The net deferred tax assets/(liabilities) are attributable to the following:

	2022			
	Net balance as at January 1 ₦'000	Recognised in profit or loss ₦'000	Net balance as at date ₦'000	Deferred tax liabilities ₦'000
Net Deferred tax assets				
Property and equipment, and software	(307,788)	(16,880)	(324,668)	(324,668)
Allowances for loans and receivables	(6,071)	298,443	292,372	292,372
Unrelieved loss	(6,168)	6,168	-	-
Employee benefits	3,851	9,708	13,559	13,559
Deferred tax assets/(liabilities)	(316,176)	297,439	(18,737)	(18,737)
Deferred tax liabilities				
Investment properties	(223,367)	(808)	(224,175)	(224,175)
Employee benefits	-	-		-
Deferred tax assets/(liabilities)	(539,543)	296,631	(242,912)	(242,912)

	2021			
	Net balance as at January 1 ₦'000	Recognised in profit or loss ₦'000	Net balance as at December 31, 2021 ₦'000	Deferred tax liabilities ₦'000
Net Deferred tax assets				
Property and equipment, and software	(285,461)	(22,327)	(307,788)	(307,788)
Allowances for loans and receivables	(5,978)	(93)	(6,071)	(6,071)
Unrelieved loss	14,516	(20,684)	(6,168)	(6,168)
Employee benefits	7,920	(4,069)	3,851	3,851
Deferred tax assets	(269,003)	(47,174)	(316,176)	(316,176)
Deferred tax liabilities				
Investment properties	(259,141)	35,774	(223,367)	(223,367)
Deferred tax assets/(liabilities)	(528,144)	(11,400)	(539,543)	(539,543)

19 Non Current Asset Held for Sale

	2022 ₦'000	2021 ₦'000
REGIC Investment Property at No.2 Post office Road, Kano ***(Note 19(i))***	423,909	-
REGIC share of REHCL property at No.2 Bank Road, Kano, ***(Note 19(v))***	135,564	-
REPRU share of REHCL property at No.2 Bank Road , Kano ceded to REGIC ***(Note 19(iii))***	206,161	-
Cost incidental to sale ***(Note 19(iv))***	(30,625)	-
	735,009	-

In compliance with IFRS 5 (Non-current Assets Held for sale), the properties at No.2 Post office Road and Bank Road Kano are measured at the lower of carrying amount and fair value less cost to sell.

19(i) The business intend to dispose its interest in the Post Office Property together with the portion it received as consideration on the disposal of its associate (REHL)

	2022 ₦'000	2021 ₦'000
Cost		
Balance, beginning of the year	-	-
Transfer from Investment properties	423,909	-
Balance, end of the year	423,909	-

In December 2022, Management committed to a plan to sell the Investment property located at No.2 Post-Office Road, Kano. Accordingly, this property is presented as Non current Asset held for sale.

At December 31, 2022, the non current asset held for sale was stated at it's carrying amount, as Investment properties are measured at the lower of its carrying amount or fair value less cost to sell.

The Company conducted an impairment test on the non current held for sale in the period under review and there was no indication of impairment on the Asset, in the view of Management. The fair value of the non current asset held for sale as at December 31, 2022 stood at N425.9million with a carrying amount of N423.9million. The determination of the fair value was conducted by a professional Estate Surveyor and Valuer,Yayok Associates Estate Survyor and Valuer with FRC Number FRC/2013/NIESV/00000000834

19(ii) Royal Exchange Health Care Limited (REHCL) , jointly owned by Royal Exchange Plc(30%), Royal Exchange General Insurance Company Limited (33%) and Royal Exchange Prudential Life Plc(37%) disposed of 70% of its issued share capital to a company named Atom Consumer services Limited for consideration of the property located at No.2 Bank Road, Kano and Deferred tax assets payable when actually utililized by the company.

19(iii) The business loaned Royal Exchange Prudential Life Plc (REPRU) the sum of N206m for which the interest of REPRU in the Kano Property is being used as a collateral. Upon disposal of the entire property, the sum will be recovered.

19(iv) The cost incidental to sale represent 4% of the cost of the property agreed with the Estate agent

19(v) The N135m represent REGIC share of REHL Kano Property received as consideration for the disposal of investment in associates and the N206m representing REPRU share of REHL Kano Property received as consideration for the sale of the REPRU interest in investment in associates was used as collateral for business loan granted to the company by REGIC. The two properties have been disposed in January 2023 in the sum of N700m

20 Deferred income

	2022 ₦'000	2021 ₦'000
Deferred rental income (see 20(a))	15,862	25,619
Deferred commission income (see note 20(b))	175,451	148,914
	191,313	174,533
Due within 1 - 12months	**191,313**	174,533
	191,313	174,533

(a) Deferred rental income

	2022 ₦'000	2021 ₦'000
At January 1	25,619	24,182
Rental Income received during the year	33,811	74,988
Rental Income earned during the year	(43,569)	(73,552)
At 31 December	**15,862**	25,619

(b) Deferred commission income

This represents the unexpired portion of commission received from businesses ceded to Reinsurers as at the reporting date.

	2022 ₦'000	2021 ₦'000
At January 1	148,914	114,062
Additions during the year	760,020	613,785
Amortised during the year	(733,483)	(578,933)
At 31 December	**175,451**	148,914

Analysis of deferred acquisition income by class of insurance are as follows:

	2022 ₦'000	2021 ₦'000
Fire	54,965	43,060
Accident	17,200	22,913
Motor	428	7,655
Marine & Aviation	51,300	41,777
Special Risk	21,578	10,822
Engineering	27,684	22,178
Bond	1,867	95
Agric	429	414
Total	**175,451**	148,914

21 Trade payables

	2022 ₦'000	2021 ₦'000
Reinsurance payables	464,755	316,970
Premium received in advance (see(i) below)	10,838,031	10,569,492
	11,302,786	10,886,461
The carrying amount disclosed above approximate fair value at the reporting date.		
Due within 1 month	11,302,786	10,886,461
	11,302,786	10,886,461

Include in the trade payable balance is N10.838billion (2021: N10.569billion) which represents premium received in advance from a customer in the oil and gas industry with respect to energy packaged policies with policy period between January 2023 to December 31, 2023. The premium was received on 23rd December 2022 to be remited to other co-insurer of the policy.

22 Other liabilities

	2022 ₦'000	2021 ₦'000
Accrual and other payables *(See(i) below))*	290,208	940,825
NAICOM levy	96,195	157,960
Other liabilities *(See(ii) below))*	442,744	374,446
Payable to Royal Exchange Trustee Fund	33	-
	829,181	1,473,231
Due within 1 - 12months	829,181	1,473,231
	829,181	1,473,231

(i) Accrual and other payables is made up of the following balances

	2022 ₦'000	2021 ₦'000
Other payables *(See below (v))*	270,788	762,210
Provision for audit fees	18,500	17,875
Provision for Advertising	920	-
Provision for Industrial Training Fund (ITF) levy	-	12,803
Provision for accounting/consulting fees	-	147,937
	290,208	940,825

(ii) Other liabilities liabilities is made up of the following balances:

	2022 ₦'000	2021 ₦'000
Employee benefit payable	10,804	10,804
PAYE payable	27,653	22,348
Witholding tax payable	143,140	108,122
VAT payable	65,420	45,858
Pension payable	6,472	6,470
NHF payable	7,418	7,418
Professional fee payable	22,518	22,517
Other creditors(see (iii) below))	159,318	150,909
	442,744	374,446

(iii)

	2022 ₦'000	2021 ₦'000
Legacy Registrars fee	64,770	67,763
Staff premium deduction	1,638	-
Unclaimed dividend	3,983	3,983
Due to Horizon construction company	50,000	50,000
Due to staff-Phoenix company	24,601	24,601
Commercial property loss recovery	3,332	3,332
Creditors control account	190	-
Staff union due	-	14
Rent received in advance-olowogbowo	1,215	1,215
Sundry creditors	9,587	-
	159,318	150,909

The balance due to Horizon Construction Company Ltd is in respect of property at plot 1396 Garki 11, Abuja which is a subject of litigation in SC No: 440/2015 in which Royal Exchange is a plaintiff. No date has been assigned for the hearing of the appeal by the supreme court. The balance due to staff-Phoenix Company are inherited staff retirement benefit on the merger of Royal Exchange Assurance Nigeria with Phoenix of Nigeria Assurance Plc in 2007.

(v) Other payables

	2022 ₦'000	2021 ₦'000
Provision for litigations	1,500	1,622
Accrued liabilities (see(viii))	131,980	232,201
Customers deposit	81,011	528,386
Provision for Interest Income Receivables on Financial Assets	56,297	-
	270,788	762,210

(vi) Provision for litigation fee represents amounts provided for in respect of various litigations pending in court.

Based on professional advice, the amount for pending litigations have been set aside to cover the expected losses to the entity on the determination of these litigations.

(vii) The customer deposits are unidentified credits, which cannot be readily ascertained to be premium as at 31 December,2022.

(viii) Accrued liabilities

	2022 ₦'000	2021 ₦'000
Quarter 4 Reinsurance Treaty and M&D	-	67,865
Facultative premium on Indorama & others	-	159,577
Other accruals	131,980	4,759
	131,980	232,201

23 Long term liabilities

23(a) Finance lease obligations

The Company leased certain of its property, plant and equipment under finance leases. The average lease term is 3 years. The Company has options to purchase the equipment for a nominal amount at the end of the lease terms. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 18% to 24% (2020: 18% to 24%) per annum.

	Future minimum Lease payments		Interest		Net present value of future lease payments	
	December 31, 2022 ₦'000	December 31, 2021 ₦'000	December 31, 2022 ₦'000	December 31, 2021 ₦'000	December 31, 2022 ₦'000	December 31, 2021 ₦'000
Not later than one year	686	23,742		2,595	686	21,147
Later than one year and not later than 5 years	-	5,253	-	224	-	5,029
	686	28,995	-	2,819	686	26,176
Within one year	686	23,742	-	2,595	686	21,147
More than one year	-	5,253	-	224	-	5,029
	686	28,995	-	2,819	686	26,176

	2022 ₦'000	2021 ₦'000
Opening	26,176	55,703
Addition	-	-
Repayment of principal amount	(25,490)	(29,528)
	686	26,176
Interest expense(See note 40)	2,474	8,938

24 Insurance contract liabilities

	2022 ₦'000	2021 ₦'000
Non-life business		
Incurred but not reported	1,592,295	1,374,212
Claims outstanding	1,043,654	974,975
	2,635,949	2,349,187
Unearned premium reserve	**2,561,074**	2,345,663
	5,197,023	4,694,850

24(a) The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

	2022 ₦'000	2021 ₦'000
Fire	996,022	957,432
Accident	528,173	537,779
Motor	985,709	873,240
Marine & Aviation	597,595	551,548
Oil and Gas	1,666,043	1,347,065
Engineering	292,212	276,528
Bond	13,400	10,602
Agric	117,870	140,656
	5,197,024	4,694,850

24(b) Unexpired risk is summarised by type below

	2022 ₦'000	2021 ₦'000
Fire	461,007	428,968
Accident	263,948	244,614
Motor	666,781	554,876
Marine & Aviation	317,922	320,070
Oil and Gas	646,833	622,761
Engineering	197,860	168,180
Bond	3,795	632
Agric	2,928	5,563
	2,561,074	2,345,663

24(c) The movement in unexpired risk reserve is shown below:	2022 ₦'000	2021 ₦'000
At January 1	2,345,663	1,584,946
Movement during the year (See note 31)	215,411	760,717
At 31 December	**2,561,074**	2,345,663

24(d) Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date and provision made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Analysis of claims arising from incidents occurring prior to the end of reporting date, but not settled at that date is shown below:

	2022	2021
	₦'000	₦'000
Fire	535,015	528,465
Accident	264,225	293,165
Motor	318,928	318,364
Marine	279,673	231,478
Oil and Gas	1,019,210	724,304
Engineering	94,352	108,348
Bond	9,605	9,970
Agric	114,942	135,093
Total	**2,635,950**	2,349,187

An ageing analysis of the time between when the outstanding claims were reported and the date of the financial statements is presented below:-

		2022		2021
	No of Claimants	**Amount ₦'000**	No of Claimants	Amount ₦'000
0- 90 days	216	119,941	213	232,996
91- 180 days	149	145,264	185	50,084
181-270 days	131	151,604	148	25,453
271-360 days	174	46,429	189	61,686
Above 360 days	1442	580,416	716	604,755
Total	2112	1,043,654	1,451	974,975

Outstanding claims days

	2022											
	Qty	0-90 days ₦'000	Qty	91-180 days ₦'000	Qty	181-270 days ₦'000	Qty	271-360 days ₦'000	Qty	Above 360 days ₦'000	Qty	Total ₦'000
Discharged Voucher signed and returned to policyholders		0		0		0		0		0		0
Discharged Voucher not yet signed	46	35,702	20	61,992	7	40,932	14	2,531	80	61,319	167	202,475
Claims reported but incomplete documentation	148	74,281	110	39,572	106	89,715	133	38,081	1,015	398,232	1,512	639,882
Claims reported but being adjusted	3	62	1	46	2	17,572	10	2,902	76	34,943	92	55,525
Awaiting adjusters final report	18	8,764	12	43,330	11	3,089	12	2,780	219	76,075	272	134,038
Litigation awarded	-	-		-	-	-	-	-	7	8,510	7	8,510
Awaiting Lead Insurer's instruction	1	1,133	6	325	5	295	5	135	45	1,338	62	3,226
Total	216	119,941	149	145,264	131	151,604	174	46,429	1,442	580,416	2,112	1,043,654

	2021											
	Qty	0-90 days ₦'000	Qty	91-180 days ₦'000	Qty	181-270 days ₦'000	Qty	271-360 days ₦'000	Qty	Above 360 days ₦'000	Qty	Total ₦'000
Awaiting Supporting Documents	64	69,899	64	10,017	35	3,818	9	9,253	152	30,238	325	123,224
Awaiting settlement decision from lead insurer	86	46,599	41	15,025	78	5,091	143	15,422	189	90,713	536	172,850
Claims awaiting payment	24	23,300	13	7,513	15	2,545	11	14,188	87	120,951	150	168,496
Incomplete claim documents	16	46,599	44	12,521	3	5,091	10	7,402	180	181,427	253	253,040
Insured yet to return duly executed DV	18	34,949	19	2,504	14	7,636	8	9,253	21	60,476	80	114,818
Marine certificate not fully declared	5	11,650	4	2,504	3	1,273	8	6,169	87	120,951	107	142,546
Total	213	232,996	185	50,084	148	25,453	189	61,686	716	604,755	1,451	974,975

24(e) The movement in outstanding claims is shown below:

	2022 ₦'000	2021 ₦'000
At January 1	2,349,187	2,457,158
Movement during the year (See note 34)	286,763	(107,971)
At 31 December	**2,635,949**	2,349,187

24(f) Policy holders' Assets and Liabilities Management (PALM)

	Insurance contract liabilities ₦'000	Shareholders & other funds ₦'000	2022 ₦'000	2021 ₦'000
Cash and cash equivalent	4,237,118	12,711,354	16,948,473	15,980,243
Financial Assets:	-	-	-	-
- Fair value through profit or loss (quoted equities)	501,713	-	501,713	708,992
- Fair value through other comprehensive income Treasury Bills	-	-	-	3,373,353
-Corporate commercial paper	-	1,428,292	1,428,292	1,163,600
- Fair value through other comprehensive income (Unquoted equities)	519,702	48,330	568,032	540,496
- FGN Bond at amortised cost	4,445,913	-	4,445,913	-
- Loans and receivables at amortised cost	-	76,717	76,717	69,971
Trade receivables	-	89,695	89,695	135,160
Non Current Asset held for sale	-	735,009	735,009	-
Reinsurance assets	1,935,330	-	1,935,330	1,818,151
Deferred acquisition cost	-	364,467	364,467	362,286
Other receivables and prepayments	-	1,767,101	1,767,101	1,063,776
Right of use asset	-	12,425	12,425	32,806
Investment in associates	-	230,622	230,622	455,039
Investment properties	680,000	-	680,000	3,856,305
Property and equipment	-	1,680,806	1,680,806	1,242,744
Intangible asset	-	130,590	130,590	64,556
Statutory deposits	-	340,000	340,000	340,000
Employees retirement benefits	-	368,917	368,917	310,990
Total assets	12,319,776	19,984,325	32,304,100	31,518,470
Policyholder; Shareholders; and other funds	5,197,023	27,107,078	32,304,100	31,518,470
Excess/(Deficit) is Asset Cover	7,122,754	(7,122,754)	-	-

25 Taxation

25 (a) Charge for the year

	2022 ₦'000	2021 ₦'000
Recognised in profit or loss:		
Company Income tax	80,178	66,874
Policy trust fund levy	36	17
Tertiary education tax	12,611	8,424
	92,825	75,315
NTDA levy	7,233	3,398
	100,058	78,713
Capital Gain Tax	140,813	-
	240,870	78,713
Origination of temporary differences *(See note 18)*	(296,631)	11,400
Income Taxes	**(55,760)**	90,113

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2020 as amended and Tetiary Education Tax Act, CAP E4 LFN 2004.

Reconciliation of effective tax rate

	2022 Tax rate %	Amount ₦'000	2021 Tax rate %	Amount ₦'000
Profit before tax	1%	82,901	30%	101,943
Company income tax using the domestic corporation tax rate	30%	643,778	45%	153,270
Non-deductible expenses	-	-	0%	(63,398)
Net capital Allowance	0%	36	0%	5
Police Trust Fund	3%	12,862	1%	2,527
Education tax	1%	7,212	0%	1,019
Information technology tax levy	-89%	(645,289)	-34%	(116,654)
Tax exempt income	19%	140,813	0%	-
Capital Gains Tax	31%	(296,631)	3%	11,400
Current year deferred tax	32%	(54,318)	27%	90,113

25 Current income tax liabilities

	2022 ₦'000	2021 ₦'000
At January 1	261,359	388,492
Charge for the year	240,870	78,713
Paid during the year	(232,324)	(205,847)
At 31 December	**269,905**	261,359

26 Share capital

	2022 ₦'000	2021 ₦'000
Share capital comprises		
Authorized share capital at the beginning of the year		
10,500,000,000 ordinary share of ₦1 each	10,046,512	10,500,000
Ordinary share capital		
Ordinary share of ₦1 each	8,314,355	5,366,667
2,526,985,651 ordinary share of ₦1 each share issued to Africinvest	-	2,526,986
Financial Inclusion Vehicle LLC for cash during the year	-	-
420,702,099 ordinary share of ₦1 each Share issued to InsuResilence Fund from Retained earning Anti-dilution rights	-	420,702
8,314,354,406 ordinary share of ₦1 each	8,314,355	8,314,355

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

		2022 ₦'000	2021 ₦'000
26(ii)	Proceeds from issue of 2,526,986 ordinary share to Afriinvest Financial Inclusion Vehicle	-	2,526,986
	Amount of share premium received on the equity investment of Africinvest Financial Inclusion Vehicle	-	1,074,759
	Total cash proceeds received from issue of 2,526,986 ordinary share of Africinvest Financial Inclusion Vehicle	-	3,601,745
	Share issue expenses paid during the year	-	(179,178)
		-	3,422,567

Africinvest Financial Inclusion Vehicle LLC (FIVE) invested N3,601,744,857 in the company by subscribing to 2,526,985,641 units of newly issued Ordinary shares at N1.43K per share. Additional shares of 420,702,099 units of new ordinary shares to Insure resilience Investment Fund (IIF) in accordance with the share purchase agreement on the Anti-dilution rights.

27 Share premium

	2022 ₦'000	2021 ₦'000
At January 1	1,277,616	802,737
Addition due to 30.39% equity investment from Africinvest Financial inclusion Vehicle	-	1,074,759
Additional shares issued to InsuResilience Fund based on Anti-dilution rights in the share purchase agreement.	-	(420,702)
Share issue expenses	-	(179,178)
At 31 December	**1,277,616**	1,277,616

28 Contingency reserve

The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.

In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross 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. "

	2022 ₦'000	2021 ₦'000
At January 1	3,226,564	2,844,511
Transfer from profit or loss account	426,279	382,053
At 31 December	**3,652,843**	3,226,564

29 Retained earnings

The reserve comprises undistributed profit/ (loss) from previous years and the current year available for dividend distribution to the equity shareholders of the company (if approved at the Annual General Meeting).

	2022 ₦'000	2021 ₦'000
At January 1	577,353	709,711
Dividend paid within the year	-	-
Transfer from profit and loss	779,257	249,696
Transfer to contingency reserve	(426,279)	(382,053)
At 31 December	**930,332**	577,353

30 Other component of equity

	2022 ₦'000	2021 ₦'000
At January 1	4,324	498,614
Fair value gain/(losses) recognised in OCI (see note 7(d))	27,536	(529,653)
-Share of current year results in equity accounted investees (see note 12(a))	-	-
-Actuarial gains/(losses) on employee benefit obligations (see note 17(c))	21,572	35,363
	53,432	4,324

(a) Nature and purpose of other components of equity

Fair value reserves

Fair value reserves represent the cummulative net change in the fair value of available-for-sale financial assets at the reporting date.

Actuarial reserves

Actuarial (surplus)/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

31 Premium written

	2022 ₦'000	2021 ₦'000
Non-life insurance premium:		
Gross written premium	14,209,292	12,735,110
Change in unearned premium (see note 24(c))	(215,411)	(760,717)
Gross earned premium	**13,993,881**	11,974,393

32 Reinsurance expenses

	2022 ₦'000	2021 ₦'000
Gross written reinsurance premium (see note 32a)	8,080,793	6,831,627
Change in reinsurance unearned premium(see note 9(a)	(88,940)	(350,723)
	7,991,853	6,480,904

32(a) Gross written reinsurance premium

	2022 ₦'000	2021 ₦'000
Reinsurance treaty ceded premium	1,450,257	1,326,981
Reinsurance FAC ceded premium	6,207,541	5,404,990
Reinsurance excess of loss premium	422,995	99,656
	8,080,793	6,831,627

33 Fee and commission income

	2022 ₦'000	2021 ₦'000
Reinsurance commissions (See note 20(b))	733,483	578,933
	733,483	578,933

34 Insurance claims and benefits incurred

	2022 ₦'000	2021 ₦'000
Gross claims paid	2,539,530	1,673,166
Less: movement in gross outstanding claims and IBNR (see note 24(e))	286,763	(107,971)
Gross incurred claims (see note (a) below)	**2,826,293**	1,565,194
Less: Reinsurance incurred claims (see note 34 (b) below)	(853,378)	(435,167)
	1,972,915	1,130,027

(a) Analysis of insurance claims and benefits incurred by class are as follows:

	2022 ₦'000	2021 ₦'000
Motor	538,903	341,997
Accident	250,978	135,303
Fire & IAR	854,780	388,377
Marine & Aviation	173,262	235,321
Engineering	21,338	55,814
Bond	(365)	(1,809)
Special Risk	919,218	287,452
Agric	68,180	122,738
	2,826,294	1,565,194

(b) Insurance claims and benefits incurred - recoverable from reinsurers

	2022 ₦'000	2021 ₦'000
Motor	63,418	43,929
Accident	66,209	9,774
Fire	573,452	63,187
IAR	-	-
Marine & Aviation	32,180	69,132
Engineering	12,134	114,993
Bond	(183)	(904)
Special Risk	60,470	83,639
Agric	45,697	51,416
	853,377	435,167

(c) Breakdown of insurance claims and benefits incurred-recoverable from reinsurers

	2022 **₦'000**	2021 ₦'000
Reinsurance claims recoveries	825,139	711,788
Movement in reinsurers' share of claims expenses outstanding (see note 9(b))	(32,338)	(347,763)
Movement in reinsurers' share of incurred but not reported claims (see note 9(c))	60,577	71,142
	853,378	435,167

35 Underwriting expenses (fees, commissions and other acquisition expenses)

	2022 **₦'000**	2021 ₦'000
Other underwriting Expenses	418,818	1,123,594
Maintenance expenses	418,818	1,123,594
Acquisition expenses:		
Insurance contracts – non-life	2,452,524	2,212,394
Amortisation of insurance contracts deferred acquisition costs	(2,181)	(137,030)
Acquisition expenses -(See Note 10)	**2,450,343**	2,075,365
Vat on Commission Expense	80,200	35,266
Reinsurance commission	2,487	-
Total Acquisition expenses	**2,533,030**	2,110,630
Total Underwriting expnses	**2,951,849**	3,234,224
Acquisition expenses	2,533,030	2,110,630
Maintenance expenses	418,818	1,123,594
	2,951,849	3,234,224

36 Investment income

	2022	2021
	₦'000	₦'000
Interest income on investment (see note 36(a) below)	1,050,328	562,087
Dividend income (see note 36(a) below)	96,321	113,389
Net realised gains/(losses) on financial assets (see 36(a) below)	627,931	-
Rental Income	43,569	73,552
Net Investment Income	1,818,148	749,027
Loss on disposal of investment in associates	(109,671)	-
Investment expenses		
Changes in fair value (see note 36(a)i below)	(37,657)	(12,034)
Total Investment Income	**1,670,820**	736,993

a(i) Analysis of investment income are shown below:

	2022					
	Rental Income	Dividend Income	Net realised gains and losses	Changes in fair value	Interest Income	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Debt securities:						
*At fair value through profit/loss (See note (aii))	-	-	141,657	-	-	141,657
*Held for trading		-	-	-	-	-
*Financial asset at amortised cost		-	-	-		-
Equity Securities:	-	-	-	-		
*At fair value through profit/loss	-			(45,737)	-	(45,737)
*At fair value through OCI	-	96,321	-	-	-	96,321
Investment properties	-	-	486,274	8,080	-	494,354
Investment in Associate	-		(109,671)	-	-	(109,671)
Interest on FG and Corporate bond	-	-	-	-	359,712	359,712
Cash and cash equivalents		-	-	-	690,615	690,615
Rental Income	43,569					43,569
	43,569	96,321	518,260	(37,657)	1,050,328	1,670,820

a(ii) At fair value through profit/loss

	2022 ₦'000	2021 ₦'000
Net realised gain on disposal of equities	20,143	-
Net realised gain on disposal of bond	62,749	-
Realised FX gain on sales of USD	58,765	-
	141,657	-

a(i) Analysis of investment income are shown below:

2021

	Rental Income ₦'000	Dividend Income ₦'000	Net realised gains and losses ₦'000	Changes in fair value ₦'000	Interest Income ₦'000	Total ₦'000
At fair value through profit/loss	-	-	-	-	-	-
At fair value through OCI	-	-	-		-	-
Equity Securities:	-	-	-			
At fair value through profit/loss	-	-	-	(11,633)	-	(11,633)
At fair value through OCI	-	113,389	-	-	-	113,389
Investment properties	-	-	-	(401)	-	(401)
Interest on FG and Corporate bond	-	-	-		372,494	372,494
Cash and cash equivalents	-	-	-	-	189,593	189,593
Rental Income	73,552	-	-	-	-	73,552
	73,552	113,389	-	(12,034)	562,087	736,993

37 ECL Impairment Allowance

	2022 ₦'000	2021 ₦'000
Cash & cash equivalent (Note 6 (b))	35,459	21,412
Impairment allowance on premium receivables - non-life business (see note 8(a)(i))	-	136,484
Recovery made during the year	-	(189,925)
Corporate commercial paper (Note 7b(iii))	3,888	(6,728)
FGN / corporate bond at amortised cost (Note 7c(i))	16,315	-
Amortized cost-Mortgage loan (Note (7c)i)		377
	55,662	(38,380)

38 Other operating income

	2022 ₦'000	2021 ₦'000
Profit/(loss) on disposal of properties plant and equipments	(26,479)	-
Profit/(loss) on disposal of Right of Use asset	(3,152)	
Income from lead-underwriting	32,896	101,552
Sundry income	29,618	106,466
	32,884	208,018

38(i) Sundry Income

	2022 ₦'000	2021 ₦'000
Refund of stamp duty from Nigerian Insurers Association	-	-
Share of surplus received from Nigeria Liability Pool	7,325	-
Interest income on call/sweep accounts	306	7,632
Withholding tax credif approved and utilized	-	-
Other sundry income (see 38(ii))	21,987	98,834
	29,618	106,466

38(ii) Other sundry income

	2022 ₦'000	2021 ₦'000
Write back of excess provision for litigation	-	77,454
Refund of share cost expenses from Royal exchange microfinance bank	21,987	21,380
	21,987	98,834

39 Foreign exchange gains

	2022 ₦'000	2021 ₦'000
Gains/(Loss) on FX placements	290,666	(49,578)
	290,666	(49,578)

40 Management expenses

	Notes	2022 ₦'000	2021 ₦'000
Salaries and allowances of other employees	39(a)	1,353,490	1,040,190
Other Administrative expenses		435,238	451,615
Audit fee		18,500	17,639
Amortization of intangible assets	15	18,991	12,002
Promotional and advert expenses		-	64,066
Depreciation on property and equipment	14	178,663	87,430
Depreciation on right of use asset	14	15,002	22,073
Termination of lease contract		-	14,331
Directors' fees		28,952	887
Directors' allowance and other emoluments		76,469	56,052
Professional fees		-	44,800
Donation		6,700	150
Bank charges		31,120	34,100
Legal fee retainer		12,289	34,636
HMO medical		36,324	-
Insurance premium		34,943	3,888
Accounting consultancy fee		-	161,939
Investment expenses		126,944	13,596
Electricity charges		16,961	23,104
VAT paid		-	7,017
Repairs and maintenance		50,054	68,686
Telephone expenses		36,384	5,671
Transportation expenses		110,576	64,411
Annual software renewal fees		73,916	38,332
Subscription and Journals		14,758	13,769
NAICOM fine paid (Contravention)		750	-
Marketing expenses		44,347	15,000
Finance charges		2,474	8,938
Redundancy Cost		346,123	-
		3,069,969	2,304,325

41 Related party transactions:

Royal Exchange Plc which owns 39.21% of the paid up share capital. During the year, the Company entered into commercial transactions with other companies within the Royal Exchange group.

Related parties and related party transactions during the period include:-

Name of related party/(relationship)

Name of related party	Relationship	Nature of transaction	2022 ₦'000	2021 ₦'000
Royal Exchange Plc	Shareholder	Receivable	350,146	350,146
Royal Exchange Prudential Life Assurance Plc	Related Company	Receivable	15,051	18,845
Royal Exchange Healthcare Plc	Related Company	Receivable	-	61,540
Royal Exchange Healthcare Ltd(Now Dot HMO)	Related Company	Gross premium written	5,543	5,543
Royal Exchange Finance and Investment Ltd	Related Company	Finance lease obligation	(686)	(26,176)
Royal Exchange Microfinance Bank Ltd	Related Company	Bank overdraft	-	(17,007)

42 Contingencies and Commitments

a Commitments for expenditure
The Company has no commitment for capital expenditure at the reporting date.

b Contingencies and commitments

	2022 ₦'000	2021 ₦'000
Contingent liabilities		
Legal proceedings and litigations	328,747	536,572
Contingent assets		
Legal proceedings and litigations	9,271	11,672

The Company in its ordinary course of business, is presently involved in 14 (2021:36) litigation cases as a plaintiff and defendants. The total amount claimed in the cases against the Company is stated above. The Directors having sought the advice of professional legal counsel are of the opinion that based on the advise received, no additional provisions other than those in the books are deemed necessary for these claims.

c Dividend
In the year under review, the Board of Directors is yet to propose and recommend the dividend payout by the Company. The recommendation if any, shall be presented to the shareholders at the 15th Annual General Meeting of the Company for members' approval.

43 Events after the reporting year

In line with IFRS 10, a significant event happened subsequent to the balance sheet date. A non-current asset held for sale as regards property at No 2, bank Road and 2, Post Office Road Kano have been disposed at N700m in 2023.

44 Compensation of key management personnel

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

	2022 ₦'000	2021 ₦'000
Chairman	7,636	1,500
Other Directors	97,785	55,440
	105,421	56,940
Directors' fees	28,952	887
Emoluments as Executives	76,469	56,052
	105,421	56,940
The highest paid director	27,401	22,468

The number of directors who received fees and other emoluments(excluding pension contributions) in the following ranges were:-

	2022	2021
2,000,001 - 5,000,000	1	1
Above N5,000,000	-	-

Employees remunerated at higher rates

The number of employees in receipt of emoluments including allowances within the following ranges were:

			2022	2021
1,000,001	-	2,000,000	5	7
2,000,001	-	3,000,000	23	22
3,000,001	-	4,000,000	28	36
4,000,001	-	5,000,000	14	1
5,000,001	-	6,000,000	21	39
6,000,001	-	7,000,000	23	23
7,000,001	-	8,000,000	7	8
8,000,001	-	9,000,000	4	4
9,000,001	-	10,000,000	2	2
10,000,001	-	12,000,000	7	8
12,000,001	-	18,000,000	13	12
18,000,001	-	22,000,001	-	-
22,000,001	-	Above	5	3
			152	165

Average number of persons employed in the financial year and the related staff cost were as follows:

	2022	2021
Managerial	21	18
Senior staff	131	139
Junior staff	0	8
	152	165

The staff costs for the above persons was:

	2022 ₦'000	2021 ₦'000
Salaries , wages and other allowances	1,353,490	1,040,190
Pension cost	53,128	20,573
	1,406,618	1,060,763

45 Contraventions

Penalty imposed on the violation of paragraph 6(i) of the market conduct and business practice guidelines in rerspect of the appointment of the key management personnel in the sum of N750,000 (2021:Nil)

46 Capital requirement

The Company's solvency margin as at December 31, 2022, of ₦11.365billion (2021:₦10.180billion) is above the required minimum solvency margin of ₦3billion.

	Company	
	2022 ₦'000	2021 ₦'000
Share capital	8,314,355	8,314,355
Share premium	1,277,616	1,277,616
Retained earnings	930,332	3,226,564
Contigency reserve	3,652,843	577,353
Excess of admissible assets over liabilities	**14,175,145**	13,395,888
Less the amount of own shares held (Treasury shares)	-	-
	14,175,145	13,395,888
Subordinated liabilities subject to approval by the commission	-	-
Any other financial instrument as prescribed by the commision	-	-
Capital requirement	**14,175,145**	13,395,888

47 Reconciliation notes to statement of cash flows

a Insurance premium received from customers

	2022 ₦'000	2021 ₦'000
Gross Premium Income *(See note 31)*	13,993,881	11,974,393
Unexpired risk - opening balance *(See note 24(c))*	(2,345,663)	(1,584,946)
Unexpired risk - closing balance *(See note 24(c))*	(2,561,074)	(2,345,663)
Unearned premium	215,411	760,717
Trade receivables - opening balance *(See note 8)*	135,160	69,468
Recoveries, premium receivables	-	(136,484)
Trade receivables - closing balance *(See note 8)*	(89,695)	(135,160)
Premium received from trade debtors	45,465	(202,175)
Insurance premium received from customers	14,254,757	12,532,935
Premium paid	(10,569,492)	(7,417,516)
Premium received from businesses written during the year	3,685,265	5,115,419

b Insurance benefits and claims paid to customers

	2022 ₦'000	2021 ₦'000
Claims incurred (See note 34 (a))	(2,826,293)	(1,565,194)
Outstanding claims reserve - opening balance (See note 24(d))	(2,349,187)	(2,457,158)
Outstanding claims reserve - closing balance (See note 24(d))	2,635,950	2,349,187
Insurance benefits and claims paid to customers	(2,539,530)	(1,673,165)

c(i) Outward reinsurance premium paid

	2022 ₦'000	2021 ₦'000
Trade payables - pening balance *(See note 21)*	(316,970)	(321,510)
Gross expenses recognised in profit or loss *(See note 32(a))*	(8,080,793)	(6,831,627)
Trade payables - closing balance *(See note 21)*	464,755	316,970
Outward reinsurance premium paid	(7,933,008)	(6,836,167)

c(ii) Net premium received in advance

	2022 ₦'000	2021 ₦'000
Mobil Premium received in advance	10,838,031	10,569,492
Net premium received in advance	10,838,031	10,569,492

(d) Fees and commssion received

	2022 ₦'000	2021 ₦'000
Deferred income - opening balance *(See note 20(b))*	(148,914)	(148,915)
Net fee and commssion recognised in profit or loss *(See note 20(b))*	733,483	578,933
Deferred income - closing balance *(See note 20(b))*	175,451	183,768
Fees and commssion received	760,020	613,786

(e) Claim recoveries made from reinsurers

	2022 ₦'000	2021 ₦'000
Reinsurers share of claims expenses outstanding, opening *(See note 9(b))*	238,918	586,681
Reinsurers' share of claims expenses outstanding,closing *(See note 9(b))*	(206,579)	(238,919)
Movement in reinsurers share of claims expenses outstanding	32,337	347,762
Reinsurers share of incurred but not reported claim - opening *(See note 9 (c))*	776,605	705,463
Reinsurers share of incurred but not reported claim - closing *(See note 9(a))*	(837,182)	(776,605)
Movement in reinsurers share of incurrec but not reported claims	(60,577)	(71,142)
Claim recoveries *(See note 34(b))*	853,378	435,167
Claim recoveries made from reinsurers	825,139	711,787

(f) Commission and other underwriting expenses

	2022 ₦'000	2021 ₦'000
Deferred Acquisition cost - opening balance *(See note 10)*	362,286	225,256
Deferred Acquisition cost - closing balance *(See note 10)*	(364,467)	(362,286)
Charge to profit or loss	(2,533,030)	(2,110,630)
Other underwrting expenses	(418,818)	(1,123,594)
Commission paid	(2,954,030)	(3,371,254)

(g) Cash payment to employees, intermediaries and other supplier

	2022 ₦'000	2021 ₦'000
Cash payments to employees - Staff cost	(1,353,490)	(1,040,190)
Cash payments to employees - Redundancy cost	(346,123)	-
	(1,699,613)	(1,040,190)
Other cash payments to intermediaries and supplier	(2,602,340)	(431,654)
Cash payment to employees, intermediaries and other supplier	(4,301,953)	(1,471,844)

h (i) Profit or loss on disposal of property and equipment

	2022 ₦'000	2021 ₦'000
Proceeds from disposal of property and equipment (a)	-	-
Cost of property and equipment (b)	44,057	-
Accumulated depreciation (c)	(17,578)	-
NBV of PPE (d) = (b) less (c)	26,479	-
Profit/(loss) from disposal of PPE (See note 38) (e) = (a) less (d)	(26,479)	

h(ii) Profit or loss on disposal of right of use asset

	2022 ₦'000	2021 ₦'000
Proceeds from disposal of property and equipment (a)	-	-
Cost of property and equipment (b)	15,000	-
Accumulated depreciation (c)	(11,848)	-
NBV of PPE (d) = (b) less (c)	3,152	-
Profit/(loss) from disposal of PPE (See note 38) (e) = (a) less (d)	(3,152)	

(i) Dividend income received

	2022 ₦'000	2021 ₦'000
Dividend accrual - opening balance	1,135	-
Profit or loss Charge *(See note 36)*	96,321	113,389
Dividend accrual - closing balance *(See note 11(b))*	(31,222)	(1,135)
Dividend income received	66,234	112,253

(j) Rental Income

	2022 ₦'000	2021 ₦'000
Rental income recognised in profit or loss *(See note 36(a)(i))*	43,569	73,552
Deferred rental income - opening balance	(25,619)	(24,182)
Deferred rental income - closing balance	15,862	25,619
Rental income received	33,811	74,989

(k) Interest income received

	2022 ₦'000	2021 ₦'000
Profit or loss charge	1,191,985	562,087
Accrued Interest	-	-
Interest income received	1,191,985	562,087

(l) Investment Expenses

	2022 ₦'000	2021 ₦'000
Incidental expense on disposal	88,250	-
Other investment expenses	38,694	-
Total investment Expenses	126,944	-

48 Outstanding claims on insurance contracts

Outstanding claims represents the estimated cost of settling all claims arising from incidents occuring as at the date of the statement of financial position. The Company has adopted the Discounted Inflation Adjustment Basic Chain Ladder Method in determining the claims reserves for the year.

(a) The summary of results using the Discounted Inflation Adjusted Chain Ladder Method is presented below:

December 31, 2022
Table 47(a)(i)

Class of Business	Gross Outstanding Claims ₦'000	Estimated Reinsurance Recoveries ₦'000	Net Outstanding Claims ₦'000
General Accident	264,225	(38,676)	225,549
Engineering	94,352	(54,314)	40,038
Fire	535,015	(327,313)	207,702
Marine & Aviation	279,673	(75,848)	203,825
Motor	318,928	(39,654)	279,274
Agriculture *	114,942	(68,965)	45,977
Bond *	9,605	(4,802)	4,802
Oil & Gas *	1,019,210	(434,188)	585,022
TOTAL	**2,635,950**	**(1,043,761)**	**1,592,189**

* Estimated using Expected Loss Ratio method and discounted

December 31, 2021

Class of Business	Gross Outstanding Claims ₦'000	Estimated Reinsurance Recoveries ₦'000	Net Outstanding Claims ₦'000
General Accident	293,165	(43,476)	249,690
Engineering	108,348	(67,945)	40,403
Fire	528,465	(353,743)	174,721
Marine & Aviation	231,478	(62,778)	168,701
Motor	318,364	(44,436)	273,928
Agriculture	135,093	(62,615)	72,478
Bond	9,970	(4,985)	4,985
Oil & Gas	724,304	(375,546)	348,758
TOTAL	**2,349,188**	**(1,015,523)**	**1,333,665**

December 31, 2022

Table 47(a)(ii)

Gross Incurred But Not Reported (IBNR) Table

Class of Business	Outstanding Claim Reserves	Outstanding Reported Claim Reserves	IBNR
	₦'000	₦'000	₦'000
General Accident	264,225	180,597	83,628
Engineering	94,352	16,101	78,251
Fire	535,015	211,182	323,832
Marine & Aviation	279,673	78,920	200,754
Motor	318,928	137,717	181,212
Agriculture	114,942	104,541	10,401
Bond	9,605	9,578	26
Oil & Gas	1,019,210	305,018	714,191
TOTAL	**2,635,950**	**1,043,654**	**1,592,295**

December 31, 2021

Gross Incurred But Not Reported (IBNR) Table

Class of Business	Outstanding Claim Reserves	Outstanding Reported Claim Reserves	IBNR
	₦'000	₦'000	₦'000
General Accident	293,165	125,286	167,879
Engineering	108,348	4,712	103,636
Fire	528,465	266,782	261,683
Marine & Aviation	231,478	77,086	154,392
Motor	318,364	139,251	179,113
Agriculture	135,093	93,739	41,354
Bond	9,970	9,578	392
Oil & Gas	724,304	258,540	465,764
TOTAL	**2,349,187**	**974,974**	**1,374,213**

Table 47(a)(iii)
Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries ₦'000	Outstanding Reported Reinsurance Recoveries ₦'000	Reinsurance IBNR ₦'000
General Accident	38,676	12,500	26,176
Engineering	54,314	5,955	48,359
Fire	327,313	87,866	239,448
Marine & Aviation	75,848	3,079	72,769
Motor	39,654	8,728	30,926
Agriculture	68,965	66,565	2,400
Bond	4,802	4,789	13
Oil & Gas	434,188	17,097	417,090
TOTAL	**1,043,761**	**206,579**	**837,182**

December 31, 2021
Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries ₦'000	Outstanding Reported Reinsurance Recoveries ₦'000	Reinsurance IBNR ₦'000
General Accident	43,476	16,332	27,144
Engineering	67,945	1,601	66,344
Fire	353,743	116,995	236,748
Marine & Aviation	62,778	13,611	49,167
Motor	44,436	14,353	30,083
Agriculture	62,615	56,103	6,512
Bond	4,985	4,789	196
Oil & Gas	375,546	15,134	360,411
TOTAL	**1,015,524**	**238,919**	**776,605**

UPR (Gross and Reinsurance UPR) – Result Table
Table 47(a)(iv): UPR (Gross and Reinsurance UPR)-Result Table

December 31, 2022 Class of Business	Gross UPR	Reinsurance UPR	NET UPR
	₦'000	₦'000	₦'000
General Accident	263,948	(51,375)	212,574
Engineering	197,860	(104,075)	93,785
Fire	461,007	(207,568)	253,439
Marine & Aviation	317,922	(148,034)	169,888
Motor	666,781	(26,659)	640,121
Agriculture	2,928	(1,903)	1,025
Bond	3,795	(6,222)	(2,427)
Oil & Gas	646,833	(362,463)	284,370
TOTAL	**2,561,073**	**(908,299)**	**1,652,774**

December 31, 2021
UPR (Gross and Reinsurance UPR) – Result Table

Class of Business	Gross UPR	Reinsurance UPR	NET UPR
	₦'000	₦'000	₦'000
General Accident	244,614	(69,407)	175,207
Engineering	168,180	(76,916)	91,264
Fire	428,968	(163,810)	265,158
Marine & Aviation	320,070	(124,891)	195,179
Motor	554,876	(22,020)	532,856
Agriculture	5,563	(1,768)	3,795
Bond	632	(316)	316
Oil & Gas	622,761	(343,499)	279,262
TOTAL	**2,345,664**	**(802,627)**	**1,543,037**

(b) Claims Data

The claims data has eight risk groups (Marine,Motor,Engineering,Bond,Fire,General Accident, Agric and Oil and gas).
The combined claims data, for all lines of business between 2007 and 2022, are summarized in Table 41(b)(i) below.

December 31, 2022

Table 47(b)

Incremental Chain Ladder:

Incremental Chain ladder-Yearly Projections (N'000)
projected Table

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	329,717	660,243	680,831	699,941	701,360	714,043	714,043	717,923	717,923	719,361	719,361	719,361
2008	613,410	628,749	634,997	636,316	643,920	643,956	644,066	644,066	644,066	644,066	644,066	644,066
2009	145,866	161,233	172,728	177,794	182,881	184,732	184,732	184,732	184,732	184,732	184,732	184,732
2010	291,901	336,417	373,216	381,520	402,740	403,239	403,239	403,343	403,343	403,343	403,343	403,343
2011	42,207	510,034	674,779	681,200	685,022	685,022	685,800	685,800	685,800	685,800	685,800	685,800
2012	70,163	599,260	677,960	693,155	697,442	699,188	699,317	699,317	699,539	699,539	699,539	699,539
2013	487,923	980,061	1,071,888	1,081,523	1,084,401	1,085,025	1,085,082	1,085,082.00	1,085,082	1,085,082	1,085,082	1,085,082
2014	338,391	715,606	770,268	802,712	814,923	815,683	815,683	815,683	816,478	817,068	817,068	817,068
2015	554,991	1,030,593	1,138,244	1,189,691	1,235,622	1,235,653	1,246,503	1,250,371	1,261,768	1,261,768	1,261,768	1,261,768
2016	501,654	739,076	979,729	1,098,338	1,100,164	1,106,196	1,125,321	1,126,921	1,126,921	1,126,921	1,126,921	1,126,921
2017	242,254	777,245	870,696	898,542	953,585	976,779	981,477	981,477	981,477	981,477	981,477	981,477
2018	131,060	333,314	377,672	381,136	382,025	384,526	386,695	387,449	387,449	387,449	387,449	387,449
2019	115,820	256,397	292,121	293,602	307,477	309,823	311,857	312,565	312,565	312,565	312,565	312,565
2020	85,942	347,659	472,860	519,772	532,900	537,608	541,689	543,110	543,110	543,110	543,110	543,110
2021	113,449	224,182	290,006	303,301	312,009	315,132	317,839	318,781	318,781	318,781	318,781	318,781
2022	96,897	298,263	349,161	366,163	377,299	381,292	384,754	385,959	385,959	385,959	385,959	385,959

Table 47(b)(i) Motor
Incremental Chain ladder-Yearly Projections (N'000)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	13,481	4,318	1,604	2,522	1,686	255	3,578	575	-	-	-	-
2008	30,101	934	1,361	-	439	427	-	-	-	-	-	-
2009	88,639	32,015	-	60	494	840	821	500	1,000	-	-	-
2010	219,849	8,745	-	59	281	-	-	-	-	-	-	-
2011	11,186	11,635	617	-	232	3,500	550	-	-	-	-	-
2012	303,225	2,851	1,923	573	-	-	2,938	-	-	-	-	-
2013	344,468	9,053	880	1,508	61	-	-	-	-	-	-	-
2014	317,989	14,156	3,707	3,820	4,554	80	21	-	-	-	-	-
2015	359,380	5,649	127	225	-	-	-	-	-	-	-	-
2016	372,082	16,961	375	842	356	-	-	-	-	-	-	-
2017	325,136	22,927	2,036	471	-	-	-	-	-	-	-	-
2018	247,369	13,779	-	-	-	-	-	-	-	-	-	-
2019	239,604	5,650	-	-	-	-	-	-	-	-	-	-
2020	137,194	1,135	-	-	-	-	-	-	-	-	-	-
2021	260,410	-	-	-	-	-	-	-	-	-	-	-
2022	430,571	-	-	-	-	-	-	-	-	-	-	-

Table 47(b)(ii) Marine
Incremental Chain ladder-Yearly Projections (N'000)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	235	116	798	32	104	4,251	-	-	-	-	-	-
2008	9,093	13,421	902	108	6,972	-	-	-	4,045	-	-	-
2009	22,581	15,539	4,772	157	60	135	2	-	-	-	-	-
2010	11,390	149,416	3,247	1,674	13	12	-	-	-	-	-	-
2011	155,086	32,721	5,208	5,878	1,880	21	236	-	2	-	-	-
2012	37,303	54,135	20,068	900	50	964	-	-	-	-	-	-
2013	30,722	20,982	4,969	1,030	382	1,462	-	-	-	-	-	-
2014	42,694	13,795	812	316	3,069	500	-	-	-	-	-	-
2015	56,207	19,952	33,174	1,109	31	178	-	-	-	-	-	-
2016	50,060	196,892	6,409	6,350	-	-	-	-	-	-	-	-
2017	127,311	39,368	3,469	7,435	9,814	-	-	-	-	-	-	-
2018	15,515	18,938	11,902	4,446	-	-	-	-	-	-	-	-
2019	23,479	20,170	11,075	5,846	-	-	-	-	-	-	-	-
2020	16,872	12,159	130	-	-	-	-	-	-	-	-	-
2021	31,301	31,145	-	-	-	-	-	-	-	-	-	-
2022	42,646	-	-	-	-	-	-	-	-	-	-	-

Table 47(b)(iii) Accident

Incremental Chain ladder-Yearly Projections (N'000)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	246	22,626	8,493	2,586	101	16,819	700	-	2,374	577	-	-
2008	32,785	30,914	3,571	615	46,221	2,076	87	446	-	-	-	-
2009	66,883	46,466	4,915	32,036	13,906	10,412	668	143	3	752	434	3,838
2010	25,344	13,211	13,565	5,342	5,944	4,988	-	1,466	743	-	-	-
2011	9,363	78,398	27,010	5,372	7,081	52	1,666	620	-	-	-	-
2012	71,699	70,541	23,608	11,504	857	2,025	579	116	-	-	942	-
2013	59,915	40,143	17,903	8,647	492	-	27	325	1,251	232	-	-
2014	46,935	51,081	12,412	1,152	605	756	1,127	31	-	-	-	-
2015	69,863	41,138	4,365	2,424	1,688	331	2,461	-	-	-	-	-
2016	85,054	45,439	18,366	7,652	13,083	1,933	125	-	-	-	-	-
2017	32,351	48,447	25,563	8,959	9,319	1,591	-	-	-	-	-	-
2018	30,486	29,749	23,713	455	2,412	-	-	-	-	-	-	-
2019	30,138	76,729	5,592	3,707	-	-	-	-	-	-	-	-
2020	36,660	58,907	8,285	-	-	-	-	-	-	-	-	-
2021	44,436	67,257	-	-	-	-	-	-	-	-	-	-
2022	69,517	-	-	-	-	-	-	-	-	-	-	-

Table 47(b)(iv) Fire
Incremental Chain ladder-Yearly Projections (N'000)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	54,175	62,508	4,435	4,602	377	3,773	-	1,350	-	-	-	-
2008	116,006	3,304	1,505	350	2,262	11	38	-	-	-	-	-
2009	31,420	3,701	3,053	1,507	1,635	644	-	-	-	-	-	-
2010	70,296	11,825	10,948	2,668	7,384	190	-	54	-	-	-	-
2011	11,211	139,179	52,933	2,234	1,458	-	406	-	-	-	-	-
2012	20,874	170,000	27,385	5,795	1,937	910	75	-	165	-	-	-
2013	156,771	171,249	35,020	4,354	1,500	362	37	-	-	-	-	-
2014	117,750	143,860	24,699	16,914	7,083	491	-	-	795	-	-	-
2015	211,660	214,902	56,119	29,844	29,675	23	9,180	3,868	-	-	-	-
2016	226,674	123,769	139,604	76,629	1,357	5,103	19,126	-	-	-	-	-
2017	126,288	310,351	60,376	20,689	46,568	23,194	-	-	-	-	-	-
2018	76,028	130,669	32,957	2,930	889	-	-	-	-	-	-	-
2019	74,827	104,445	30,223	1,482	-	-	-	-	-	-	-	-
2020	63,853	221,419	125,201	-	-	-	-	-	-	-	-	-
2021	95,981	110,732	-	-	-	-	-	-	-	-	-	-
2022	96,897	-	-	-	-	-	-	-	-	-	-	-

Table 47(b)(v) Engineering
Incremental Chain ladder-Yearly Projections (N'000)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	8,837	11,723	14,266	5,190	4,453	-	-	-	-	-	-	-
2008	1,540	24,632	3,234	1,959	-	-	-	-	-	-	-	-
2009	11,922	2,640	1,689	12,620	-	-	76	-	-	-	-	-
2010	25,564	21,301	20,030	494	133	-	-	-	-	-	-	-
2011	30,295	123,508	-	35	-	8	-	-	-	-	-	-
2012	58,399	5,686	5,730	2,539	-	2	-	-	-	-	-	-
2013	4,011	6,720	6,082	-	-	-	-	-	-	-	-	-
2014	4,529	13,720	-	-	-	-	-	-	-	-	-	-
2015	22,464	12,080	-	788	771	15	-	-	-	-	-	-
2016	34,116	8,487	10,954	505	4,788	715	-	-	-	-	-	-
2017	4,047	8,111	10,469	4,524	1,387	627	-	-	-	-	-	-
2018	4,880	12,639	7,062	4,824	965	-	-	-	-	-	-	-
2019	16,757	17,408	3,684	1,012	-	-	-	-	-	-	-	-
2020	13,195	11,775	514	-	-	-	-	-	-	-	-	-
2021	8,743	22,613	-	-	-	-	-	-	-	-	-	-
2022	9,603	-	-	-	-	-	-	-	-	-	-	-

Table 47(b)(vi) Oil and Gas

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/ s as at 31 Dec 2020 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/ s Claim Reserves (N'000)
2007	114,603	-	-	-	0%	0%	-	-
2008	114,603	-	-	-	0%	0%	-	-
2009	114,603	5,930	-	5,930	5%	5%	5,930	-
2010	426,927	116,140	-	116,140	27%	27%	116,140	-
2011	1,091,790	320,767	-	320,767	29%	29%	320,767	-
2012	1,592,882	533,147	-	533,147	33%	33%	533,147	-
2013	1,408,707	131,341	-	131,341	9%	9%	131,341	-
2014	1,817,119	54,698	-	54,698	3%	3%	54,698	-
2015	1,979,172	15,553	40,725	56,279	3%	3%	59,044	43,491
2016	3,613,535	404,101	187,454	591,555	16%	17%	597,286	193,185
2017	5,116,272	1,228,914	29,744	1,258,657	25%	25%	1,267,531	38,617
2018	6,699,431	336,676	2,735	339,411	5%	5%	352,810	16,134
2019	7,122,637	104,556	15,000	119,556	2%	2%	150,630	46,074
2020	7,705,771	538,405	10,511	548,915	7%	8%	625,973	87,568
2021	7,509,181	583	14,900	15,483	0%	5%	363,512	362,930
2022	8,435,485	36,003	3,950	39,953	0%	6%	547,294	511,291
Total			305,018					1,299,290
							Discounted	1,019,210

Table 47(b)(vii) Bond

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/ s as at 31 Dec 2020 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/ s Claim Reserves (N'000)
2007	-	-	-	-			-	-
2008	-	-	-	-			-	-
2009	-	-	-	-			-	-
2010	28,637	-	-	-	0%	0%	-	-
2011	18,462	-	-	-	0%	0%	-	-
2012	23,486	2,224	-	2,224	9%	9%	2,224	-
2013	33,195	4,339	-	4,339	13%	13%	4,339	-
2014	39,405	1,807	-	1,807	5%	5%	1,807	-
2015	20,788	21,819	9,578	31,397	151%	151%	31,397	9,578
2016	12,171	13	-	13	0%	0%	13	-
2017	3,342	-	-	-	0%	0%	-	-
2018	2,086	-	-	-	0%	0%	-	-
2019	2,360	-	-	-	0%	0%	-	-
2020	2,009	-	-	-	0%	0%	-	-
2021	7,028	-	-	-	0%	5%	351	351
2022	7,715	-	-	-	0%	5%	386	386
Total			9,578					10,316
							Discounted	9,605

Table 47(b)(viii) Agriculture

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/ s as at 31 Dec 2020 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/ s Claim Reserves (N'000)
2007	-	-	-	-	0%	0%	-	-
2008	-	-	-	-	0%	0%	-	-
2009	-	-	-	-	0%	0%	-	-
2010	-	-	-	-	0%	0%	-	-
2011	-	-	-	-	0%	0%	-	-
2012	-	-	-	-	0%	0%	-	-
2013	-	-	-	-	0%	0%	-	-
2014	-	-	-	-	0%	0%	-	-
2015	-	-	-	-	0%	0%	-	-
2016	-	-	-	-	0%	0%	-	-
2017	-	-	-	-	0%	0%	-	-
2018	-	-	-	-	0%	0%	-	-
2019	42,950	25,502	4,555	30,057	70%	70%	30,057	4,555
2020	175,134	53,975	1,471	55,446	32%	32%	55,446	1,471
2021	258,414	90,145	8,413	98,557	38%	41%	105,017	14,873
2022	110,549	10,979	90,102	101,081	91%	95%	105,022	94,043
Total			104,541					114,942
							Discounted	107,018

The following is an analysis of the Company's revenue and result by reportable segment in 2022.

	2022								
	Motor	Fire	Accident	Bond	Marine & Aviation	Engineering	Agric	Special Risk	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Income:									
Gross written premium	1,865,206	1,413,281	894,316	10,878	940,166	517,972	107,914	8,459,557	14,209,291
Net change in unearned premium	(111,905)	(32,039)	(19,334)	(3,163)	2,148	(29,679)	2,635	(24,072)	(215,410)
Gross premium income	1,753,300	1,381,242	874,982	7,715	942,314	488,293	110,549	8,435,485	13,993,881
Insurance premium ceded to reinsurers	(96,231)	(815,935)	(181,034)	(10,455)	(531,367)	(355,163)	(52,161)	(6,038,448)	(8,080,793)
Net change in unearned premium	4,640	43,758	(18,032)	5,906	23,143	27,159	135	2,233	88,941
	(91,591)	(772,177)	(199,066)	(4,549)	(508,224)	(328,004)	(52,026)	(6,036,215)	(7,991,852)
Net insurance premium income	1,661,709	609,065	675,915	3,167	434,090	160,289	58,523	2,399,270	6,002,030
Fee and commission income	39,125	185,261	66,091	1,365	97,754	88,921	11,721	243,243	733,483
Segment income	1,700,834	794,326	742,006	4,532	531,844	249,210	70,244	2,642,514	6,735,514
Expenses:									
Claims and benefits	(538,903)	(854,780)	(250,978)	365	(173,262)	(21,338)	(68,180)	(919,218)	(2,826,293)
Claims paid	(538,339)	(848,229)	(279,918)	-	(125,067)	(35,333)	(88,332)	(624,312)	(2,539,530)
Movement in provision for IBNR outstanding claims	(2,099)	(62,150)	84,251	365	(46,361)	25,385	30,953	(248,427)	(218,083)
Movement in provision for outstanding claims	1,535	55,599	(55,311)	-	(1,833)	(11,389)	(10,802)	(46,478)	(68,679)
Reinsurers' share - Change in insurance liabilities	63,418	573,452	66,209	(183)	32,180	12,134	45,697	60,470	853,377
Claims Recoveries	68,200	592,450	69,956	-	19,109	25,765	47,831	1,828	825,139
Movement in reinsurers' share of claims expenses outstanding	(5,625)	(29,130)	(3,831)	-	(10,532)	4,353	10,463	1,963	(32,339)
Movement in reinsurers' share of incurred but not reported claims	843	10,132	84	(183)	23,603	(17,985)	(12,596)	56,679	60,577
Fees and commission expense	(151,841)	(239,126)	(154,147)	(1,088)	(128,154)	(77,513)	(12,660)	(1,685,815)	(2,450,343)
Maintenance expenses	(69,971)	(83,710)	(39,644)	-	(41,232)	(5,548)	(2,534)	135,732	(106,909)
Other underwriting expenses	(49,439)	(38,948)	(24,673)	(218)	(26,571)	(13,769)	(3,117)	(237,862)	(394,597)
	(746,737)	(643,111)	(403,232)	(1,123)	(337,040)	(106,034)	(40,794)	(2,646,693)	(4,924,765)
Segment underwriting profit	954,097	151,215	338,773	3,409	194,803	143,176	29,450	(4,179)	1,810,748

					2021				
	Motor	Fire	Accident	Bond	Marine & Aviation	Engineering	Agric	Special Risk	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Income:									
Gross written premium	1,533,147	1,085,100	814,078	7,555	898,593	419,298	255,669	7,721,670	12,735,110
Net change in unearned premium	(146,505)	(175,179)	(84,507)	(527)	(56,753)	(87,502)	2,745	(212,490)	(760,717)
Gross premium income	1,386,642	909,921	729,571	7,028	841,840	331,796	258,414	7,509,180	11,974,393
Insurance premium ceded to reinsurers	84,815	628,867	228,197	3,983	267,148	282,849	149,181	5,186,586	6,831,627
Net change in unearned premium	(2,696)	(80,952)	(37,733)	(264)	(46,988)	(11,135)	71	(171,027)	(350,722)
	82,119	547,915	190,464	3,719	220,160	271,714	149,252	5,015,559	6,480,905
	27,903	129,554	84,457	1,113	59,266	78,507	33,649	164,483	578,933
Net insurance premium income	1,304,524	362,006	539,106	3,309	621,679	60,082	109,161	2,493,621	5,493,489
Fee and commission income	28,908	149,511	96,668	1,196	74,727	81,745	33,634	147,395	613,788
Movement in deferred income	(1,005)	(19,957)	(12,212)	(83)	(15,461)	(3,238)	15	17,088	(34,855)
Segment income	1,332,428	491,561	623,563	4,423	680,945	138,589	142,810	2,658,104	6,072,422
Expenses:									
Claims and benefits	341,997	388,377	135,303	(1,809)	235,321	55,814	122,738	287,452	1,565,193
Reinsurers' share - Change in insurance liabilities	(43,929)	(63,187)	(9,774)	904	(69,132)	(114,993)	(51,416)	(198,432)	(549,958)
Claims Recoveries	50,236	178,491	18,367		50,715	128,203	29,890	255,886	711,788
Movement in reinsurers' share of claims expenses outstanding	(10,420)	(65,161)	(22,970)	(1,000)	5,413	(38,631)	33,834	(248,827)	(347,763)
Movement in reinsurers' share of incurred but not reported claims	4,113	(50,142)	14,377	96	13,004	25,421	(12,309)	191,373	185,933
Fees and commission expense	108,737	139,442	122,611	506	124,027	43,862	34,207	1,501,973	2,075,365
Maintenance expenses	44,735	11,205	3,903	-	3,039	2,907	-	398,551	464,340
Profit commission	-	-	-	-	-	-	-	(114,793)	(114,793)
Other underwriting expenses	93,719	61,499	49,310	475	56,897	22,425	17,465	507,523	809,313
	545,259	537,336	301,353	76	350,152	10,015	122,994	2,497,067	4,364,253
Segment underwriting profit	787,169	(45,775)	322,210	4,345	330,793	128,573	19,816	161,037	1,708,171

Other National Disclosures
Value **Added Statement**

For the year ended 31 December, 2022

In thousands of Naira	2022 ₦'000	%	2021 ₦'000	%
Net premium income	13,993,881	**471**	11,974,393	643
Reinsurance, claims, commission and others	(12,878,179)	**(433)**	(11,060,324)	(594)
	1,115,702	**38**	914,069	49
Investment income	1,818,148	**61**	749,027	40
Other income	76,896	**3**	210,168	11
Other gains and losses	(37,657)	**(1)**	(12,034)	(1)
Value added	**2,973,089**	**100**	1,861,230	100
Applied as follows:				
In payment of employees:				
- Salaries, wages and other benefits	1,699,613	**57**	1,039,935	44
In payment to government:				
- Taxation	100,058	**3**	78,715	10
For future replacement of assets				
and expansion of business:				
Deferred tax	(296,631)	**(10)**	11,400	2
Depreciation & amortization	197,654	**7**	99,432	3
Contingency reserve	493,137	**16**	382,053	18
General reserve	779,257	**26**	249,696	23
	2,973,089	**100**	1,861,230	100

Other National Disclosures
Five Year **Financial Summary**

For the year ended 31 December, 2022

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Assets					
Cash and cash equivalents	16,948,473	15,980,243	9,777,898	10,619,459	11,325,338
Financial assets	7,020,667	5,856,412	5,139,048	1,412,190	1,422,679
Investment in associate	230,622	455,039	453,145	449,521	432,781
Deferred acqusition cost	364,467	362,286	225,256	162,488	217,457
Trade receivables	89,695	135,160	69,468	53,837	361,667
Other receivables and prepayment	1,767,101	1,063,778	1,218,453	882,465	745,873
Reinsurance assets	1,935,330	1,818,151	1,744,049	2,235,297	2,709,833
Statutory deposit	340,000	340,000	340,000	340,000	340,000
Intangible assets	130,590	64,556	-	-	-
Investment properties	680,000	3,856,305	3,856,706	4,275,855	4,239,347
Property and equipment	1,680,806	1,242,744	1,130,784	1,137,844	1,226,384
Right of use asset	12,425	32,806	71,472	76,895	-
Employees retirement benefits/Long Service Award	368,917	310,990	257,168	295,649	283,850
Deferred tax assets	-	-	-	-	-
	31,569,092	31,518,470	24,283,447	21,941,500	23,305,209
Non Current Asset Held for Sale	735,009	-	-	-	-
Total Assets	32,304,101	31,518,470	24,283,447	21,941,500	23,305,209
Equity and Liabilities					
Share Capital & Reserves:					
Ordinary share capital	8,314,355	8,314,354	5,366,667	5,366,667	5,366,667
Share premium	1,277,616	1,277,616	802,737	802,737	802,737
Statutory contingency reserve	3,652,843	3,226,564	2,844,511	2,488,464	2,170,933
General reserve	930,332	577,353	709,711	691,534	354,360
Other component of equity	53,432	4,324	498,614	262,520	155,129
Total Equity	14,228,577	13,400,211	10,222,240	9,611,922	8,849,826
Liabilities					
Bank overdrafts	-	17,007	32,699	29,030	54,220
Deferred income	191,313	174,533	138,244	109,332	144,133
Trade payables	11,302,786	10,886,461	7,739,026	5,998,661	5,465,549
Other liabilities	829,181	1,473,231	1,109,902	734,950	737,733
Finance lease obligations	686	26,176	55,703	63,927	49,473
Borrowings	-	-	-	-	31,708
Deposit for shares	-	-	-	-	2,000,000
Insurance contract liabilities	5,197,023	4,694,850	4,042,104	4,591,292	5,318,102
Income tax payable	269,905	261,359	388,492	293,033	376,966
Deferred tax liabilities	242,912	539,543	528,144	484,603	256,260
Employees retirement benefits	41,719	45,099	26,893	24,750	21,239
Total Liabilities	18,075,523	18,118,259	14,061,207	12,329,578	14,455,383
Total Equity & Liabilities	32,304,101	31,518,470	24,283,447	21,941,500	23,305,209
Turnover and Profit					
Gross premium written	14,209,292	12,735,110	11,868,240	10,584,353	10,716,756
Net premium earned	6,002,028	5,493,489	5,275,791	5,478,494	5,501,036
Profit before taxation	723,497	339,809	1,024,099	974,643	1,154,518
Profit/(loss) after taxation	779,257	249,696	793,578	654,705	735,327

Corporate **Events**

REGIC-RECOGNIZED STAFF EFFORTS ON VAL'S DAY

Corporate Events

Branch/ **Office Network**

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0708-060-6100

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0708-060-6100

Lagos Region:
Marina branch, Victoria Island branch and
Ikeja branch

South-South Region:
PH branch, Aba Office,
Uyo Office, Enugu Office and Calabar Office

South-East Region:
Benin Branch, Asaba Office
and Warri Office

North Region:
Abuja branch, Kano branch,
Kaduna Office and Jos Office

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No. 83, Azikwe Road,
Aba (Second Floor) Abia State
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Asaba
14, Dennis Osadebey Way,
Asaba, Delta State.
Tel: 0803-673-2911

Benin
Unity Bank Building
No. 98 New Lagos Road 113,
New Lagos Road, Benin City
Edo State
Tel: 0806-081-4253

Enugu
Canute House, 19/25 Ogui Road,
Enugu State.
Tel: 04-229-108, 0802-313-3497

Ibadan
Old Sketch Building, First Floor,
Cocoa House Complex,
Dugbe, Ibadan,
Tel: 0809-468-6750, 0814-999-3555

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13 Oke- Olowogbowo
Lagos Island
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