NEM
...together to succeed

Ever **Faithful**
Ever **Reliable**

NEM Insurance Plc
Annual Report & Accounts 2024

“Trust is not given;
it is earned through
unwavering commitment.
We remain ever faithful,
ever reliable.

As we gather this year to reflect on our progress and look ahead to the future, we do so anchored in a powerful theme: "Ever Faithful, Ever Reliable."

These are more than just words. They are the principles that have guided our company through changing tides, economic shifts, and evolving customer needs. In a world where uncertainty has become the only constant, our unwavering commitment to trust and dependability remains our greatest strength.

"Ever Faithful" speaks to the heart of who we are — a company that stands by its people. Faithful to our policyholders, who place their security in our hands. Faithful to our employees, whose dedication drives our mission forward. And faithful to you, our shareholders, whose belief in our vision empowers us to pursue sustainable, long-term growth.

"Ever Reliable" reflects the confidence we instill each day — in the promises we keep, the risks we manage, and the lives we help protect. Reliability is not just about consistency; it is about showing up, especially when it matters most. Whether it is paying a claim, answering a call, or supporting a community in crisis, our presence is our pledge.

This past year has tested many institutions. But it also affirmed our resilience, deepened our relationships, and reinforced our role as a pillar of security in the lives of millions. We navigated uncertainty not by retreating, but by leaning into innovation, strengthening our core, and delivering value where it counts.

As we move forward, we do so with clear purpose — to remain ever faithful in our values, and ever reliable in our performance. That is the promise we make to you today, just as we have for decades past.

Thank you for your trust, your support, and your continued partnership in this enduring journey.

Ever **Faithful**
Ever **Reliable**

MR TOPE SMART
GROUP CHAIRMAN

Our Vision

To be the preferred choice of the insuring public

Our Mission

To build a customer satisfying insurance institution that is passionate about adding value to the interests of all stakeholders

Core Values

- Discipline
- Integrity
- Humility
- Excellence
- Empathy
- Courage

Brief History about the Company

NEM INSURANCE PLC started insurance business in Nigeria in 1948 through the agency of Edward Turner & Co.

It became a Nigerian branch of NEM General Insurance Association Limited of London in 1965.

By 1970, NEM Insurance Plc was Incorporated as a Nigerian company in compliance with the Companies Decree of 1968 and became listed on the Nigeria Exchange in 1989 following privatization by the Federal Government of Nigeria.

Initially offering both Life and Non-Life insurance products, and following the recapitalization exercise, NEM Insurance merged with Vigilant Insurance Company Limited in 2007, to transact all classes of General Insurance.

NEM Insurance Plc has contributed immensely towards the growth of Insurance Industry in Nigeria and presently has two subsidiaries – NEM Health Limited and NEM Asset Management Limited.

The Company has received a myriad of awards over the years having been recognized as the Most Profitable Insurance Company in Nigeria, Most Valuable Insurance Company in West Africa, the Best Customer Care Award and Award for Best Performance in Claims Settlement amongst others.

SAP Plan

(Smart Artisan Protection)

...Smart plan for sharp minds.

NEM Insurance Plc
RC: 6971
...together to succeed

Head Office:
NEM House,199, Ikorodu Road,
Obanikoro, Lagos, Nigeria.
P. O. Box 654 Marina, Lagos
Tel: 02-14489560-9; 02-14489570
Email: nem@nem-insurance.com
nemsupport@nem-insurance.com
@ neminsuranceplc

NIGERIAN INSURERS ASSOCIATION

NAICOM/CC/ADV/2023/4931

www.nem-insurance.com

Authorised and Regulated by the National Insurance Commission RIC No. 028(G)

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SGP Plan

(Smart Generation Protection Plan)

...Stay calm, your future is assured!

NEM
...together to succeed

NEM Insurance Plc
RC: 6971

Head Office:
NEM House,199, Ikorodu Road,
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NIA
NIGERIAN INSURERS ASSOCIATION

NAICOM/CC/ADV/2023/4932

www.nem-insurance.com

Authorised and Regulated by the National Insurance Commission RIC No. 028(G)

Governance

Notice of **55th Annual General Meeting**

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting of **NEM INSURANCE PLC** ("the Company") will hold on **Tuesday 20th May 2025 at The Shell Hall, MUSON Centre, 8/9 Marina Onikan Lagos by 10am** to transact the following business:

ORDINARY BUSINESS

1. To lay before shareholders the Audited Financial Statement of the Company for the year ended 31st December 2024 and Reports of the Directors, the Auditors Report, and the Audit Committee's Report thereon.
2. To declare a Dividend.
3. To re-elect the following Non-Executive Directors that are retiring by rotation.
   (a) Alhaji Ahmed I. Yakasai
   (b) Mrs. Joy Teluwo
4. To authorize the Directors to fix the remuneration of the External Auditors.
5. To elect members of the Statutory Audit Committee.
6. To disclose the Remuneration of Managers of the Company.

SPECIAL BUSINESS

7. To ratify the appointment of the below mentioned Director:
   (a) Mr. Adeyemi Mayadenu as Executive Director (Technical)
8. To approve the remuneration of Non-Executive Directors.
9. To consider and if thought fit, pass the resolution as an ordinary resolution of the Company: "That the general mandate given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including amongst others the procurement of goods and services, on normal commercial terms be and is hereby renewed.

NOTES:

I. PROXY

a. A member entitled to attend, and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A form of proxy is attached to the last page of this Annual Report and may also be downloaded from the Company's website at: www.nem-insurance.com.

b. For the instrument of proxy to be valid for the purposes of this Meeting, it must be completed and duly stamped by the Commissioner of Stamp Duties and emailed to registrars@apel.com.ng or deposited at the office of the Registrars, Apel Capital Registrars Limited 8, Alhaji Bashorun Street Off Norman Williams Crescent South-West Ikoyi Lagos not less than forty-eight (48) hours before the time of the Meeting.

c. The Company has made arrangements at its cost for the stamping of the duly completed proxy forms submitted to the Company's Registrars within the stipulated time.

Notice of **55th Annual General Meeting** Cont'd

III. CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members and Transfer Books of the Company will be closed from Monday, 28th April 2025 till Wednesday 30th April 2025 both dates inclusive for the purpose of updating our Register of Members. Accordingly, dividends will only be paid to shareholders whose names are on the Register on Friday 25th April 2025. Payment date is Tuesday, 20th May 2025.

III. UNCLAIMED DIVIDEND

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrars. The list of such unclaimed dividends is available here: https://sites.google.com/apelasset.com/dividendsearch/home. The affected shareholders are advised to contact the Registrars, Apel Capital Registrars Limited 8, Alhaji Bashorun Street off Norman Williams Crescent South-West Ikoyi Lagos to resolve any issue they may have with claiming their dividends.

IV. DIVIDEND PAYMENT

If the proposed dividend of N1.00 per ordinary share of N1Naira each as recommended by the Directors is approved by members at the AGM, e-dividends will be paid to shareholders' accounts in accordance with the directive of the Securities and Exchange Commission (SEC) on Tuesday, 20th May 2025, to the shareholders whose names appear in the Register of Members at the close of business on Friday, 25th April 2025.

V. E-DIVIDEND

Notice is hereby given to all shareholders who are yet to mandate their dividends to be credited to their designated bank accounts to kindly update their records by completing the e-dividend mandate form and submitting same to the Registrars, as dividend will be credited electronically to shareholders' designated bank accounts as directed by the Securities and Exchange Commission (SEC).

Detachable application forms for e-dividend mandate, change of address and unclaimed dividends are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from the Company's website at www.nem-insurance.com or from the Registrars' website at www.apel.com.ng. The completed forms should be returned to Apel Capital Registrars Limited, 8, Alhaji Bashorun Street off Norman Williams Crescent South-West Ikoyi Lagos.

VI. STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee consists of three (3) shareholder representatives and two (2) Directors and in accordance with Section 404 of the Companies and Allied Matters Act, 2020, (CAMA, 2020) any shareholder may nominate another shareholder for election as a member of the audit committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

Notice of **55th Annual General Meeting** Cont'd

Further, CAMA 2020 provides that all members of the Statutory Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly.

Consequently, we request that nominations to the Statutory Audit Committee should be accompanied by a detailed copy of the nominees' Curriculum Vitae and requisite qualifications.

VII. LIVE STREAMING OF THE AGM

The Annual General Meeting will be streamed live via the Company's website. This will enable shareholders and other stakeholders who will not be attending the meeting physically to observe the proceedings. Please log on to www.nem-insurance.com for a link to the live streaming of the Annual General Meeting.

VIII. RE-ELECTION OF DIRECTORS

In accordance with Section 259 of the Companies and Allied Matters Act, 2020, Alhaji Ahmed I. Yakasai and Mrs. Joy Teluwo will retire by rotation and being eligible, have offered themselves for re-election. Their profiles are contained in the Annual Report and on the Company's website.

IX RATIFICATION OF APPOINTMENT OF NEW DIRECTOR

The shareholders are requested to ratify the appointment of the below mentioned Director:

(a) Mr Adeyemi Mayadenu

His profile is contained in the Annual Report and on the company's website

X GENERAL MANDATE

In line with the Nigerian Exchange Limited ("NGX") Rules in Transactions with Related Parties, the company is required to seek a renewal of the general mandate from shareholders as per Item 9 of the agenda above. This mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held.

XI NO VOTING BY INTERESTED PARTIES

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on Special Business resolution above.

XII RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited's Rulebook 2015, it is the right of every Shareholder to ask questions not only at the meeting but also in writing prior to and after the meeting. Please send all questions, comments, or observations by email to nem@nem-insurance.com not later than 10th May 2025. Questions and answers will be presented at the Annual General Meeting.

Notice of 55th Annual General Meeting Cont'd

XIII E-ANNUAL REPORT

The electronic version of the Annual Report (e-annual report) can be downloaded from the Company's website www.nem-insurance.com. The e-annual report will be emailed to all shareholders who have provided their email addresses to the Registrars. Shareholders who wish to receive the e-annual report are kindly requested to send an email to nem@nem-insurance.com. or registrars@apel.com.ng.

XIV WEBSITE

A copy of this Notice and other information relating to the Meeting can be found at www.nem-insurance.com.

BY ORDER OF THE BOARD

IFUNANYA IWUAGWU
Company Secretary
FRC/2024/PRO/ICSAN/002/252928
199, Ikorodu Road, Lagos
Dated This 2nd Day of April 2025

STP Plan

(Smart Traveller Protection)

...Smart, safe and smiling journey.

NEM

...together to succeed

NEM Insurance Plc

RC: 6971

Head Office:
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NIA
NIGERIAN INSURERS ASSOCIATION

NAICOM/CC/ADV/2023/4934

www.nem-insurance.com

Corporate **Information**

Directors

Mr. Tope Smart	-	Group Chairman
Mr. Andrew Ikekhua	-	Managing Director/CEO
Mr. Idowu Semowo	-	Executive Director
Mr Adeyemi Mayadenu	-	Executive Director (With effect from 19 June, 2024)
Mr. Papa Ndiaye	-	Non-Executive Director
Mr. Kelechi Okoro	-	Non-Executive Director
Alhaji Ahmed I. Yakasai (mni)	-	Independent Director
Mrs Joy Teluwo	-	Non-Executive Director
Chief Dr. Anthony Aletor CON (mni) JP	-	Non-Executive Director
Mrs. Abisola Giwa-Osagie	-	Non-Executive Director
Dr Daphne Dafinone	-	Non-Executive Director

Company Secretary

Mrs. Ifunanya Iwuagwu
199, Ikorodu Road
Obanikoro, Lagos

Registered Office

NEM House
199, Ikorodu Road
Obanikoro, Lagos.

Corporate Head Office

NEM House
199, Ikorodu Road
Obanikoro, Lagos
www.nem-insurance.com
Telephone: 02014489560 – 4
NEM Support Centre:
02014489570 - 2

Registration Number

6971

Tax Identification Number

00010019-0001

FRCN Number

FRC/2012/0000000000249

Registrars

APEL Capital Registrars Limited
8, Alhaji Bashorun Street Off Norman
Williams Crescent, Southwest, Ikoyi Lagos.
Tel: 01-2932121
Mobile No: 07046126698
www.apel.com.ng

Bankers

Access Bank Plc
Polaris Bank Limited
First City Monument Bank
Ecobank Nigeria Limited
First Bank of Nigeria Limited
Guaranty Trust Bank Limited
Keystone Bank Limited
Standard Chartered Bank Nigeria Limited
Sterling Bank Plc
United Bank for Africa Plc
Stanbic IBTC Plc
Fidelity bank Plc
Zenith Bank Plc

Auditors

KPMG PROFESSIONAL SERVICES
KPMG Towers,
Bishop Aboyade Cole Street
Victoria Island, Lagos.
www.home.kpmg/ng

Corporate Information Cont'd

Reinsurers

African Reinsurers Corporation
Continental Reinsurance Corporation
SWISS Reinsurance Company
WAICA Reinsurance Plc

Subsidiaries

NEM Asset Management Limited
199, Ikorodu Road, Obanikoro
Lagos Tel: 01-4489574

NEM Health Limited
199, Ikorodu Road, Obanikoro
Lagos Tel: 02-013300150

Solicitors

Messrs. Koya & Kuti Solicitors
St Peter's House (5^{th} Floor)
3, Ajele Street
Lagos Island, Lagos.

Messrs. Sola Abidakun & Co
186A Igbosere Road
Lagos Island, Lagos.

A&M Legal Practitioners
Plot 2 Block B
Palms Residential Estate
Lekki Phase 11, Lagos

Hermon Solicitors
Penthouse Suite
Theodolite House
306, Ikorodu Road, Lagos

Adeboye Badejo & Co
2, Akin Osiyemi Street,
Ground Floor, 1st Door left wing,
FBN Bus Stop, Off Allen Avenue
Ikeja, Lagos.

Corporate Information Cont'd

Branch Networks

Abuja - Garki
78, Emeka Anyaoku Street
2nd Floor Garima House
Area 11, Garki , Abuja
Branch Manager - Michael A. Giwa
Mobile No: 08033208141; 08059301673

Abuja – Wuse
Plot 548, Ejura Close, Off Ajesa Street,
Opposite Airtel Office, Wuse 2, Abuja
Branch Manager: Mr. Martins Ilegoma
Mobile Nos: 08077284843
08078153184, 08037020262

Abuja – Central Business District
82, Imo State Liaison Office
Opp. Federal Ministry of Finance
Central Business District
Branch Manager: Davies O. Dada
Mobile Nos: 08150849411; 08092694400

Apapa
2nd Floor
41/43 Itire Road, Surulere, Lagos
Tel: 08059301673, 08028968842
Branch Manager: Uzor Enubuzor

Calabar
2nd Floor, 26, Etta-Agbor Road
Calabar, Cross River
Branch Manager: Opeoluwa Olaku
Mobile Nos: 08054642551, 08054642551

Akure
3rd Floor, BIO Building Alagabaka
Akure, Ondo State
Mobile: 08033509419; 08059622022
Branch Manager: Kehinde Agbelade

Ibadan
NW8/9, Opposite Saint Theresa,
Oke Ado, Ibadan Oyo State
Branch Manager: Rufus Olumide
Mobile Nos: 08033463697; 08055899976

Jos
10, Rwang Pam Street
P.O. Box 1261 Jos, Plateau State,
Branch Manager:
Oyeronke Oyegbamile-Bello
Mobile No: 08077284946;
08027183016

Lagos Mainland
199, Ikorodu Road
Obanikoro, Lagos
Tel: 01-8171844, 01-4824737, 01-2710060
Branch Manager: Lucky Okparavero
Mobile Nos: 08076175287,
08023123006, 08077284829

Kano
3rd Floor, Union Bank Building
37, Niger Street
P.O. Box 1185, Kano
Branch Manager: Ahmed Bello
Mobile No: 08154971638
080652940000

Onitsha
6B, Oguta Road
Opposite DMGS Roundabout
Onitsha, Anambra State
Mobile Nos: 08033457426,
08077284889
Branch Manager: Cyracus Akujobi

Kaduna
Ground Floor, Turaki Ali House
3, Kanata Road
P.O Box 822, Kaduna
Mobile Nos: 08059584722
Branch Manager: Helen Apeh
08061594122, 08023114203

Osogbo
1st Floor, Former Afribank Building
Opposite Fakunle Comprehensive
High School
Fakunle, Gbongan/Ibadan Road
Osogbo, Osun Sate
Mobile Nos: 08038436231,
08077284898
Branch Manager: Olubiyi Sonoiki

Warri
57, Effurun, Sapele Road
Effurun, Delta State
Branch Manager: Akinola Olayide
Mobile No: 08032362281,
08086660610

Port Harcourt
House 2, Road 2
Circular Road, Presidential Estate
Port Harcourt, Rivers State
Branch Manager: Akintan Kolawole
Mobile Nos: 08037236009;
08071265734

Lagos Retail
6A, Adeola Adeleye Street
Off Coker Road, Ilupeju, Lagos.
Branch Manager: Charity Orisakwe
Mobile No: 08076175287

Results at a **Glance**

GROUP	2024 N'000	2023 N'000	Changes N'000	Changes %
FINANCIAL POSITION				
Cash and cash equivalents	13,978,898	8,002,993	5,975,905	75
Financial assets:				
- At fair value through profit or loss	11,409,434	10,463,494	945,940	9
- At fair value through other comprehensive income	64,431	75,219	(10,788)	(14)
- At amortised cost	68,577,216	36,355,234	32,221,982	89
Premium Receivable	1,271,090	450,143	820,947	182
Reinsurance contract assets	15,910,561	9,433,042	6,477,519	69
Other receivables and prepayments	3,257,300	2,148,365	1,108,935	52
Investment properties	3,730,585	2,353,946	1,376,639	58
Statutory deposit	320,000	320,000	-	-
Intangible asset	71,473	54,110	17,363	32
Property, Plant and Equipment	4,934,615	4,202,175	732,440	17
Right-of-use Assets	706,352	609,015	97,338	16
Total Assets	**124,231,955**	**74,467,735**		
Insurance contract liabilities	42,330,564	25,285,724	17,044,840	67
Other Technical liabilities	718,236	857,381	(139,145)	(16)
Borrowings	-	1,557,737	(1,557,737)	(100)
Other payables	5,589,070	2,093,470	3,495,600	167
Lease liabilities	462,408	473,241	(10,833)	(2)
Income tax liability	6,968,545	1,155,152	5,813,393	503
Deferred tax liability	2,723,991	4,507,627	(1,783,636)	(40)
Total Liabilities	**58,792,815**	**35,930,332**		
Share capital	5,016,477	5,016,477	-	-
Statutory contingency reserve	15,653,975	9,837,510	5,816,465	59
Retained earnings	41,966,836	21,578,802	20,388,035	94
FVOCI reserve	(57,065)	(46,277)	(10,788)	23
Asset revaluation reserve	2,789,801	2,107,964	681,837	32
Non-controlling interest	69,116	42,927	26,189	61
Total Equity	**65,439,140**	**38,537,403**		
INCOME STATEMENT	N'000	N'000	N'000	%
Insurance Revenue	97,966,541	52,112,435	45,854,106	88
Insurance Service expenses	(61,008,412)	(34,218,972)	(26,789,440)	78
Net expenses on Reinsurance contracts	(18,138,541)	(12,795,475)	(5,343,066)	42
Insurance Service Result	**18,819,588**	**5,097,987**	13,721,600	269
Interest revenue calculated using the effective interest method	6,858,654	2,649,191	4,209,463	159
Dividend Income	771,736	687,422	84,313	12
Net foreign exchange gain	14,803,675	11,388,625	3,415,050	30
Net Fair value gain	1,762,142	4,807,948	(3,045,806)	(63)
Net credit impairment losses	(1,050,429)	(213,317)	(837,111)	392
Net Investment result	**23,145,778**	**19,319,869**	3,825,909	20
Net Insurance finance expenses	(32,373)	(154,305)	121,932	(79)
Net Insurance and Investment result	**41,932,993**	**24,263,551**	17,669,442	73
Other operating income	497,451	242,610	254,841	105
Gain/(loss) on disposal of property, plant and equipment	(8,729)	13,657	(22,385)	(164)
Management expenses	(8,523,079)	(5,279,154)	(3,243,925)	61
Finance cost	(199,983)	(362,809)	162,826	(45)
Profit before taxation	**33,698,654**	**18,877,855**	14,820,799	79
Income taxes	(4,458,079)	(5,929,070)	1,470,991	(25)
Profit for the year after tax	**29,240,575**	**12,948,785**	16,291,791	126
Total other comprehensive income/(loss) for the year	671,049	10,025	661,024	6,594
	29,911,625	**12,958,810**	16,952,815	131
Profit attributable to Equity holders of the parent	**29,214,386**	**13,020,855**	16,193,531	124
Profit/(Loss) attributable to Non controlling interest	**26,189**	**(72,073)**	98,262	(136)
Basic earnings per share (Kobo)	582	260	323	124
Diluted earnings per shares (Kobo)	582	260	323	124

Results at a **Glance** Cont'd

PARENT	2024 N'000	2023 N'000	Changes N'000	Changes %
FINANCIAL POSITION				
Cash and cash equivalents	12,771,656	7,907,551	4,864,105	62
Financial assets:				
- At fair value through profit or loss	11,409,434	10,463,494	945,940	9
- At fair value through other comprehensive income	64,431	75,219	(10,788)	(14)
- At amortised cost	68,577,216	36,355,234	32,221,982	89
Premium Receivable	253,022	354,531	(101,509)	(29)
Reinsurance contract assets	15,910,561	9,433,042	6,477,519	69
Other receivables and prepayments	2,911,773	1,875,423	1,036,351	55
Investment in Subsidiary	435,000	435,000		
Investment properties	3,730,585	2,353,946	1,376,639	58
Statutory deposit	320,000	320,000	-	-
Intangible asset	37,377	42,161	(4,784)	(11)
Property, Plant and Equipment	4,762,981	4,059,350	703,631	17
Right-of-use Assets	748,830	609,015	139,815	23
Total Assets	**121,932,866**	**74,283,965**		
Insurance contract liabilities	41,093,559	25,097,847	15,995,711	64
Other Technical liabilities	666,240	783,901	(117,661)	(15)
Borrowings	-	1,557,737	(1,557,737)	(100)
Other payables	4,568,064	2,015,522	2,552,542	127
Lease liabilities	495,722	473,241	22,481	5
Income tax liability	6,947,308	1,154,348	5,792,960	502
Deferred tax liabilities	2,722,816	4,505,697	(1,782,881)	(40)
Total Liabilities	**56,493,709**	**35,588,294**		
Share capital	5,016,477	5,016,477	-	-
Statutory contingency reserve	15,653,975	9,837,510	5,816,465	59
Retained earnings	42,035,969	21,779,997	20,255,972	93
FVOCI reserve	(57,065)	(46,277)	(10,788)	23
Asset revaluation reserve	2,789,801	2,107,964	681,837	32
Total Equity	**65,439,157**	**38,695,671**		
INCOME STATEMENT	N'000	N'000	N'000	%
Insurance Revenue	96,644,516	51,993,997	44,650,519	86
Insurance Service expenses	(60,126,501)	(34,116,367)	(26,010,134)	76
Net expenses on Reinsurance contracts	(18,138,541)	(12,795,475)	(5,343,066)	42
Insurance Service Result	**18,379,474**	**5,082,156**	13,297,318	262
Interest revenue calculated using the effective interest method	6,789,128	2,648,134	4,140,994	156
Dividend Income	771,736	687,422	84,313	12
Net foreign exchange gain	14,785,554	11,388,625	3,396,930	30
Net Fair value gain	1,762,142	4,807,948	(3,045,806)	(63)
Net credit impairment losses	(1,049,618)	(213,317)	(836,301)	392
Net Investment result	**23,058,941**	**19,318,812**	3,740,130	19
Net Insurance finance expenses	(32,373)	(154,305)	121,932	(79)
Net Insurance and Investment result	**41,406,043**	**24,246,663**	17,159,380	71
Other operating income	181,693	180,117	1,576	1
Gain/(loss) on disposal of property, plant and equipment	(8,729)	13,657	(22,385)	(164)
Management expenses	(7,920,820)	(4,912,943)	(3,007,877)	61
Finance cost	(137,768)	(348,772)	211,004	(60)
Profit before taxation	**33,520,419**	**19,178,721**	14,341,698	75
Income taxes	(4,438,096)	(5,924,145)	1,486,049	(25)
Profit for the year after tax	**29,082,323**	**13,254,576**	15,827,747	119
Total other comprehensive income/(loss) for the year	671,049	10,025	661,024	6,594
	29,753,372	**13,264,601**	16,488,771	124
Profit attributable to Equity holders of the parent	**29,082,323**	**13,254,576**	15,827,747	119
Basic earnings per share (Kobo)	580	264	316	119
Diluted earnings per shares (Kobo)	580	264	316	119

SSP Plan

(Smart Student Protection Plan)

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NEM Insurance Plc
...together to succeed
RC: 6971

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NIA NIGERIAN INSURERS ASSOCIATION

NAICOM/CC/ADV/2023/4933

www.nem-insurance.com

Message from the **Chairman**

Chairman's **Statement**

It is a great privilege to welcome our distinguished Shareholders, invited Guests, Representatives of regulatory bodies here present, Directors, Ladies and Gentlemen to the 55th Annual General Meeting of our great Company

- NEM Insurance Plc.

I am delighted to mention to you that this 55th AGM is important in the history of our great company as a result of our landmark achievement during the year under review as enumerated thus:
Our company recorded over a hundred billion gross premium income during the year thereby making history as the first non-life insurance company in our country to attain this spectacular milestone. This is quite commendable.

In the same vein, our proposed dividend equates the nominal value of our shares, and all these are contained in the annual report and accounts for the year ended 31st December 2024 which shall be presented to you in the course of this meeting.

Operating Environment

As we continue to experience the impact of fuel subsidy removal and single exchange rate regime for over a year, increases in prices of goods and services persist, fuel pump price fluctuates between N900 and N1,100 while exchange rate remained unstable and averaged about N1,535 per Dollar during the year. The operating environment was volatile and challenging because of fluctuations, high rate of inflation as well as the now popular "Japa" syndrome which posed a whole lot of national issues in 2024.

Chairman's **Statement** Cont'd

As a nation, so much is still being expected as Nigeria is ranked the 53rd largest economy globally, based on nominal GDP in 2024 and the sixth largest in Africa. The country's GDP growth rate reached 3.40% in 2024, a notable increase from the 2.74% recorded in 2023.

The average price per barrel of Brent crude oil was USD80.53 in 2024 against US$82.49 per barrel in 2023.

In real terms, the non-oil sector contributed about 95.40% to the Nation's GDP in the fourth quarter of the year 2024, a slight increase from 95.30% in the same period of 2023. The oil sector contributed 4.6%.

Non-oil remained the focal point for the Nation's economic recovery and expansion, while the essence of agricultural development cannot be overemphasized for the purpose of food security and sustainability.

The growth and recovery in the economy is still slower than the growth rate in the population, and there is a need for urgent measures to produce more goods locally and create enough job opportunities for the unemployed populace.

External reserve increased to US$40.9Billion in 2024 from US$33Billion in 2023.

The Monetary Policy Rate was 27.50% in 2024 against 18.75% in 2023 while the inflation rate was 34.8% in 2024 against 28.9% in 2023.

Insecurity, exchange rate fluctuations and the high rate of inflation contributed to low foreign direct investment, while some of the manufacturing and telecommunication companies are yet to recover from the huge exchange losses they suffered in the previous year.

Nevertheless, the Nigerian Exchange (NGX) market capitalization recorded a significant improvement during the year as it recorded N62.76 trillion as at the end of 2024 as against N39.6 trillion at the end of 2023.

Despite all these challenges, our great company, NEM insurance Plc has continued to maintain its leadership position in the industry.

This trend of excellent performance is expected to be sustained with the right form of support from all stakeholders, with expectations from the government at all levels and other concerned parties to improve on the security architecture in our country, tackle unemployment, diversify the economy, enhance climate resilience, and boost the living standard of citizens.

Our subsidiaries (NEM Asset Management Limited and NEM Health Limited) met and exceeded their expectations also during the year.

Insurance Revenue

Our insurance revenue grew from N52.1billion in 2023 to N97.9billion in 2024, an increase of 88% over the previous year.

Investment Income

An increase of 130.3% was achieved relative to 2023. The total investment income in 2023 was N3.3b while that of 2024 was N7.6b

Claims Expenses

The Claims paid during the year was N24.9b (2023: N15.6b) which represents an increase of 59.6% over that of the preceding year. The Claims ratio for 2024 was 25.5% while that of 2023 stood at 30%, a decrease of 4.5%.

Management Expenses

The management expenses increased from N5.2billion in 2023 to N8.5billion in 2024, representing a 63% increase and is attributed to heightened inflation and increased business growth during the financial year.

Profit for the Year

The Group's Profit before Tax (PBT) was N33.7billion and N18.9billion in 2024 and 2023 respectively, an increase of 78%.
The Parent Company's PBT was N33.5billion for 2024 and N19.2billion for 2023, an increase of 74%.

Financial Assets, Total Asset & Total Equity

The position of the Group's Financial assets between 2023 and 2024 increased by 70.7% while Total Assets and Total Equity also improved by 67% and 70% respectively.

Earnings Per Share (EPS)

The Group's EPS for the year under review was 582Kobo while that of the previous year was 260Kobo.

Chairman's **Statement** Cont'd

Parent Company's EPS for 2024 was 580K against the preceding year of 264K.

Dividend

The Board is recommending a dividend of 100 kobo per N1 ordinary shares amounting to N5,016,477,767, if approved at this Annual General Meeting, payable to shareholders and subject to deduction of withholding tax at the appropriate rate.

Human Capital Development

In line with the company's policy on human capital development, more than 97% of our workforce attended various training courses both local and foreign to improve their skills and enhance their performance on the job.

Future Prospects

As part of our expansion strategy, our plan to set up a viable life assurance company is in progress and will be unveiled soon.

The Group's Profit before Tax (PBT) was N33.7b and N18.9b in 2024 and 2023 respectively, an increase of 78%.

"To my beloved shareholders who have been consistent in their zest to add value to the growth of the company, you are greatly appreciated.

Our ever-loyal Brokers, Agents, Re-insurers, and the numerous Clients, you are all highly appreciated.

The Parent Company's PBT was **N33.5b** for 2024 and **N19.2b** for 2023, an increase of **74%.**

Conclusion

We give glory to Almighty God who has consistently been our strength and helper. Our excellent and progressive performance is indeed commendable. Hence, I want to use this opportunity to appreciate the MD/CEO, Management, and entire members of staff for their dedication and hard work in achieving the set organizational goals. Also, the support from the Board members is highly appreciated.

Once again, a very big thank you and God bless you all.

MR. TOPE SMART
GROUP CHAIRMAN

MD/CEO Report

Global Economic Overview

Global economy remains resilient in the year 2024 as countries battle the rise in inflation rate. The economic growth rate also falls below the pre-pandemic era. The International Monetary Fund (IMF) estimated the growth rate for 2024 to be 3.2% which is slightly higher than the estimated 3.1% in 2023. The marginal growth rate recorded during the year was driven by emerging and developing countries' contribution to the global GDP. Both India and China recorded an appreciable growth rate of 8% and 4% respectively while the USA and the Eurozone have an estimated growth rate of 1.2% and 2% respectively.

MD/CEO **Report**

The ongoing Russia-Ukraine war continues to have significant impact on the global food and energy value chains. The price of oil declined by 3% in 2024 compared to the price in 2023. The weak demand for crude oil was attributed to an increase in USA local production which is one of the largest importers of petroleum products according to the Energy Information Administration (EIA).

Year 2024 was a defining moment for the United States of America, with the return of former President Donald Trump as the 47th President of the United States. His election has begun to reshape the U.S. economy with American-centric policies. The rest of the world is expected to be impacted by his policies in the coming years.

Africa Economic Review

The year 2024 was an election year for many African countries. In countries like Ghana, Ethiopia, Senegal and Namibia, there was a change in power, while in others like Rwanda, Algeria, Chad and the Democratic Republic of Congo, the incumbent was returned to power. The change in government across African states did not play a significant impact on the continent's economy. Although, there was an increase in the inflation rate, according to the African Development Bank, political instability, Russia's invasion of Ukraine, and the rise in food and energy prices were key factors that contributed to Africa's structural challenges. Three countries where the military junta took over government in ECOWAS announced their intention to exit the regional bloc. This action is considered to pose a challenge to the bloc's social and economic integration agenda which may have contributed to food insecurity and an increased inflation rate in the region during the year.

Nigeria Economic Review

Despite the economic headwinds in 2024, an average growth rate of 3.37% in GDP was recorded which was slightly higher than the 2.71% recorded in 2023 according to the National Bureau of Statistics. The Federal Government maintained its position on the subsidy removal on the Premium Motor Spirit (PMS) popularly called Petrol. Consequently, the PMS pump price became uncontrollable reaching as high as ₦1,100 per litre. Notwithstanding, the commencement of the production and distribution of PMS from highly anticipated Dangote Refinery, as well as the restoration of the Port Harcourt and Warri refineries did not make any impact on the PMS pump price. While headline inflation reached 34.8% from 29.9% recorded in

MD/CEO **Report** Cont'd

January 2024, food inflation reached as high as 39.84%. The Central Bank of Nigeria (CBN) in an attempt to control inflation rate raised the MPR to 27.50% from 18.75% in 2023. The economy continued to feel the impact of the transition to a unified exchange rate in 2023 which resulted to market volatility and Naira depreciation throughout 2024. The Naira exchange rate against the dollar also grew from ₦1,300/$ in January 2024 to as high as ₦1,600/$ during the year. However, the CBN's monetary policies such as the adoption of the Electronic Foreign Exchange Matching System (EFEMS), yielded a positive impact on stabilizing the Naira's devaluation toward the end of the year. Nigeria's external reserves also grew to $40.88 billion in 2024, up from $32.91 billion achieved in 2023. Meanwhile, one of the key federal government's fiscal policies in 2024 was the introduction of a tax reform bill. However, the process of enacting the bill into law was not completed before the end of the year.

Insurance Industry in 2024

Nigeria's Insurance sector experienced a significant growth with the average growth rate of 14.42% in 2024 based on data from the National Bureau of Statistics (NBS). A persistent increase in the inflation rate and exchange rate during the year greatly affected the industry risk values. The continued devaluation in Naira had a great impact on the cost of imported goods which contributed to the increased premium recorded in the industry and a giant feat of crossing N1trillion Gross Premium Income.

The change in leadership at the National Insurance Commission heralded a new regulatory strategic focus during the year. Under the new Commission's leadership, more attention was given to compliance and market development through innovation. This has led to improvement in the industry compliance level and adoption of technology for both operations and product distribution. In the year, new players were licensed as underwriters, brokers and web aggregators. The Commission in its strategic agenda to accelerate the gross premium of the industry and reduce capital flight, issued a circular for the full compliance with local content act on reinsurance treaties. This regulatory action has a positive contribution to the premium revenue of local reinsurers, while many of the overseas reinsurance partners lost out from participating in Nigeria reinsurance treaty program for year 2025.

The Regulator also released the revised Market Conduct and Business Practices

MD/CEO **Report** Cont'd

Guidelines, and Insurance Risk Based Capital Regulation 2024. In furtherance to its Risk Base Supervision, the Commission equally issued a Solvency Control and Intervention Framework for Insurers and Reinsurers which will come to effect from 1st of January 2025. According to the Commission, the framework is aimed at protecting the policyholders' interest, ensure market stability, compliance with international standard, prevent insurers insolvency and achieve effective risk-based supervision. Meanwhile, the National Assembly has commenced a process of legislating the new Insurance Industry Consolidated Bill. The bill which proposed N10billion for Life, N15billion for Non-life and N35billion for Reinsurance companies' Capital Base has been passed by the National Assembly and is currently, awaiting the President's assent. The new bill has put every industry player on their toes to prepare for next Recapitalization Regime.

Company Performance Overview

Distinguished shareholders, the year 2024, remained significant in the history of our dear company, as we recorded a historical milestone of crossing ₦100billion GPW with a Gross Premium Written of ₦108billion which represent 72% growth rate over ₦63billion recorded in 2023. With this performance, NEM is the first non-life insurance company to have achieved such feat in the Nigeria Insurance Industry. Our Insurance Revenue grew to N96billion from N51billion with a growth rate of 86% while Insurance Service Result grew to N18billion from N5billion with a growth rate of 262%. A Profit Before Tax of 75% growth rate which amount to N33billion from N19billion was equally recorded in 2024. In line with the Company's commitment to the fulfilment of its obligation, a sum of N24billion in claims was paid out to our customers. The company was also able to record a significant growth in new business acquisition.

We were also appointed as the Lead Underwriter in many corporate accounts and our company has continued to leverage on partnerships with licenced intermediaries such as brokers, agents and web aggregators to deepen its market penetration. More attention was also placed on digital distribution of our products to both retail and corporate clients. This initiative has given us a competitive edge over other competitors and contributed to our operational efficiency. Despite the high inflation rate in the economy, the company was able to keep its management expenses within the threshold to safeguard the interest of shareholders without

MD/CEO **Report** Cont'd

Distinguished shareholders, the year 2024, remained significant in the history of our dear company, as we recorded a historical milestone of crossing ₦100billion GPW with a Gross Premium Written of ₦108billion which represent 72% growth rate over ₦63billion recorded in 2023.

compromising the welfare of our committed staff and obligation to clients.

It is our strong desire to continue pushing boundaries and ensuring a growth trajectory in the industry and Africa at large. The great feat recorded this year is the result of the efforts of all stakeholders. Starting from our Board of Directors, ably led by our Chairman, Mr Tope Smart whose support has been very instrumental to our organization's success. Our brokers' loyalty and belief in our brand remains unequalled. We sincerely thank you for staying with us. Finally, let me sincerely appreciate all my colleagues at **NEM Insurance Plc** for putting in their best for the best of our dear Company and all our distinguished Shareholders for their support, understanding and consistent words of encouragement which have been pivotal to our success story.

Thank you everyone, and God bless.

Andrew Ikekhua
Managing Director/CEO

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Report of **Directors**

For The Year Ended 31 December 2024

The directors hereby present their annual reports on the affairs of NEMInsurance Plc ("the Company"or "the Parent") together with its subsidiaries ("the Group") Group and Company'sconsolidated and separate financial statements with the independent auditor's report for the year ended 31 December 2024.

1. LEGAL FORM

The company was incorporated in 1970 as a Nigerian Companyin accordance with the CompaniesAct of 1968. The company became listed on the Nigerian Stock Exchangein 1989 following its privatization by the Federal Government of Nigeria. The company was into Life and Non- Life businessbut following the recapitalization exercise in 2007, the company merged with Vigilant Insurance Company Ltd to transact all classes of General Insurance.

2. PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

The Company is engaged in the business of General Insurance which includes marine and aviation, motor vehicle, fire and burglary, oil and gas, engineering, bond, general accident, and agriculture. The company has one wholly owned subsidiary: NEM Asset Management Company Limited, and NEM Health limited. NEM Asset Management Company Limited was incorporated on 11 July 2008 but commenced businessin March 2016 to engage in investment businessof all kinds including Vehicle Leasing, Machinery Acquisition, Hire Purchase of diverse assets etc. NEM Health limited was incorporated by NEMInsurance Plc on 22 November 2022 but commenced businessin May 2023, and engagesin the provision of health care services through health care providers and for that purpose is accredited by the National Health Insurance Authority. There have been no material changes to the group's business from the previous year.

SUMMARY OF THE RESULT	Group		Parent	
Operating result	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Insurance Revenue	97,966,541	52,112,435	96,644,516	51,993,997
Investment Result	23,145,778	19,319,869	23,058,941	19,318,812
Other revenue	488,723	256,267	172,964	193,774
Total Revenue	121,601,042	71,688,571	119,876,421	71,506,583
Insurance Service expenses	61,008,412	34,218,972	60,126,501	34,116,367
Net expenses on Reinsurance contracts	18,138,541	12,795,475	18,138,541	12,795,475
Net insurance finance expenses	32,373	154,305	32,373	154,305
Management and other expenses	8,523,079	5,279,154	7,920,820	4,912,943
Finance cost	199,983	362,809	137,768	348,772
Total Insurance and other expenses	87,902,388	52,810,715	86,356,003	52,327,862
Profit before tax	33,698,655	18,877,856	33,520,418	19,178,722
Income tax expense	(4,458,079)	(5,929,070)	(4,438,096)	(5,924,145)
Profit For the Year	29,240,576	12,948,786	29,082,322	13,254,577
Other Comprehensive income for the year	671,049	10,025	671,049	10,025
Total comprehensive income for the year	29,911,625	12,958,811	29,753,371	13,264,602
Basic Earnings Per Share (Kobo)	582	260	580	264
Diluted Basic Earnings Per Share (Kobo)	582	260	580	264
Profit attributable to Equity holders of the parent	29,214,386	13,020,855	29,082,323	13,254,576
Profit/(Loss) attributable to Non-controlling interest	26,189	(72,073)	-	-

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

3. CORPORATE GOVERNANCE

Introduction

The business of NEM Insurance Plc is conducted under a corporate governance structure that incorporates the Board, the Committees, and a functional Management System with the Board as the apex decision making body. This is in accordance with the Code of Corporate Governance for the Insurance industry in Nigeria, the Securities and Exchange Commission (SEC) Code of Corporate Governance and best practices. “At NEM Insurance Plc, we have ensured that our business activities are implicitly transparent”.

For the financial year under review, 2024; the Board is of the opinion that NEM Insurance Plc has in all material respects, complied with the requirements of the Code of Corporate Governance for Insurance industry in Nigeria.

A summary of the key components of our Corporate Governance System is provided hereunder.

THE BOARD OF DIRECTORS

The Board of the Company is responsible for establishing the policy framework that would ensure that the Company fully discharges its legal, financial, as well as regulatory responsibilities. The Board monitors the performance of the Company, the effectiveness of the Governance Structure under which it operates and renders the Accounts of its stewardship of the Company's resources to the shareholders. The Board of Directors is composed of a mix of non- executives and executives whereby the number of non-executives exceeds the number of executives while the position of the Chairman of the Board is clearly delineated from the Chief Executive Officer.

The Chairman

The Chairman of NEMInsurance Plc was duly appointed, and his primary role is to ensure that the board carries out its governance role in the most effective manner. The Chairman manages the operations of the Board effectively to ensure that members made concrete contributions towards the decisions of the Board and that the Board operates in harmony.

The Chief Executive Officer

The CEO monitors the day-to-day operations of the Company and implements the strategic and financial plans with the cooperation and support of the Board. The CEO ensures transparency and the effective operation and management of the Company's resources to ensure profitability of its operations and that all significant matters affecting the Company are brought to the attention of the Board.

Independent Director

The Board has an Independent Director who till date has remained independent

Annual Board Appraisal

In accordance with the requirements of the NAICOM Code, the Board renewed the mandate of SIAO Partners (acting through its Subsidiary 18 Temple) to conduct the appraisal of its performance for 2024. The Board embarked on implementation of some of the recommendations of the last Appraisal Report.

(a) ACTIVITIES OF THE BOARD

The Board meets regularly to discuss critical issues affecting the company and performs other responsibilities that fall within its purview as provided in the Company's Article of Association and by other relevant regulatory authorities. Board and Committee Meetings were well attended with sufficient notice given well in advance of the meetings. Sufficient time was also allotted to meetings as required to cover the items on the Agenda.

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

Composition of the Board/Schedule of Attendance at Meetings

A total of 5 Board meetings were held during the year 2024. Meetings were held on 19th March, 29th April, 19th July, 29th October, and 28th November. A breakdown of the composition of the board and their attendance of the meetings is highlighted below.

*Mr. Adeyemi Mayadenu was elevated to the position of Executive Director Technical WEF 19th June 2024.

Name of Director	Status	Meeting Dated 19/03/2024	Meeting Dated 29/04/2024	Meeting Dated 19/07/2024	Meeting Dated 29/10/2024	Meeting Dated 28/11/2024
Mr. Tope Smart	Group Chairman	✓	✓	✓	✓	✓
Mr Andrew Ikekua	Managing Director/CEO	✓	✓	✓	✓	✓
Mr. Idowu Semowo	Executive Director (Finance & Investment)	✓	✓	✓	✓	✓
Mr. Adeyemi Mayadenu	Executive Director (Technical) WEF 19th June 2024	Yet to come on board	Yet to come on board	✓	✓	✓
Alhaji Ahmed I. Yakasai mni	Non-Executive Director (Independent)	✓	✓	✓	✓	✓
Mrs Joy Teluwo	Non-Executive Director	✓	✓	✓	✓	✓
Mr. Papa Ndiaye	Non-Executive Director	✓	✓	✓	✓	✓
Mr. Kelechi Okoro	Non-Executive Director	✓	✓	✓	✓	✓
Dr Daphne Dafinone	Non-Executive Director	✓	✓	✓	✓	✓
Chief (Dr) Anthony Aletor CON, mni (JP)	Non-Executive Director	✓	✓	✓	✓	✓
Mrs. Abisola Giwa-Osagie	Non-Executive Director	✓	✓	✓	✓	✓

(b) Board Committees

The Board's committee structure is as specified in the NAICOMCode and is adequate for the complexity of the operations of the Company. The Committees and committee members for the 2024 financial year were:

- Finance, General Purpose and Investment Committee.
- Enterprise and Risk Management Committee.
- Strategy and Corporate Development Committee.
- Remuneration, Governance and Nomination Committee
- Audit and Compliance Committee.

The Committees listed above were provided with specified Terms of Reference to guide their activities.

Finance, General Purpose and Investment Committee

The key responsibilities of the Committee are:

- Monitoring the Company's Budget
- Setting investment policies and guidelines
- Monitoring sources of Income Generation.
- Overseeing investment and reinvestment of the funds of the company
- Ensuring Integrity of Financial Reporting.
- Expense Control.

The Committee met four times during the year:

The composition and Attendance are contained below

Name of Director	Status	Meeting Dated 18/03/2024	Meeting Dated 26/04/2024	Meeting Dated 22/10/2024	Meeting Dated 27/11/2024
Chief (DR)Anthony Aletor CON mni (JP)	Chairman	✓	✓	✓	✓
Alhaji Ahmed I. Yakasai mni	Member	✓	✓	✓	✓
Mr. Kelechi Okoro	Member	✓	✓	✓	✓
Mr Andrew Ikekhua	Member	✓	✓	✓	✓
Mr. Idowu Semowo	Member	✓	✓	✓	✓

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

Enterprise and Risk Management Committee.

The key responsibilities of the Committee are:

- Determine the policies in respect of Risk Profile and Risk Limits.
- Develop, recommend and implement strategic management plans
- Review policies as required by the Emerging dynamics of the operating environment.
- Study and give advice on the strategic plans for the long term development of the Company
- Ensure that all the departments of the Company are adequately sensitized to the level of risks inherent in their operations.
- Assess the Adequacy of Risk mitigants for major risk indicators.

The Committee met four times during the year

The composition and Attendance are contained below

Name	Status	Meeting Dated 04/03/2024	Meeting Dated 13/06/2024	Meeting Dated 03/09/2024	Meeting Dated 10/12/2024
Dr. Daphne Dafinone	Chairman	✓	✓	✓	✓
Mrs Joy Teluwo	Member	✓	✓	✓	✓
Alhaji Ahmed I. Yakasai	Member	✓	✓	✓	✓
Mr Idowu Semowo	Member	✓	✓	✓	✓
Mr Adeyemi Mayadenu	Member*	Yet to come on board	Yet to come on board	✓	✓

* Mr. Adeyemi Mayadenu became a member of the Enterprise and Risk Management Committee on 3rd September 2024

Strategy and Corporate Development Committee.

The Terms of Reference of the Committee are:

- Researching and making recommendations to the Board on the long-term development strategies and plans of the Company.
- Develop an overall strategic plan for the company by prioritizing key issues based on input from management.
- Monitor progress toward the achievement of strategic goals.
- Oversight of the Company's investment relations and engagement activities.

The Committee met four times during the year

Composition of the Committee/Attendance

Name	Status	Meeting Dated 15/02/2024	Meeting Dated 16/04/2024	Meeting Dated 07/10/2024	Meeting Dated 26/11/2024
Mr. Kelechi Okoro	Chairman	✓	✓	✓	✓
Mrs Abisola Giwa-Osagie	Member	✓	✓	✓	✓
Mr. Andrew Ikekhua	Member	✓	✓	✓	✓
Mr. Idowu Semowo	Member	✓	✓	✓	✓
Mr. Adeyemi Mayadenu	Member*	Yet to come on board	Yet to come on board	✓	✓

*Mr. Adeyemi Mayadenu became a member of the Strategy and Corporate Development Committee on 7th October, 2024.

Remuneration, Governance and Nomination Committee

The Terms of Reference of the Committee are:

- Approve, guide and influence key human resource policies and strategies.
- Ensure disclosure of remuneration in a proper, complete, accurate and transparent manner.
- To advise the Board on the Company's compliance with the NAICOMand SECCorporate Governance Codes, and the Nigerian Stock Exchange Listed Company Rules and other applicable governance requirements.
- Make recommendations to the board on matters pertaining to appointments, removals, and resignations of executive and non-executive directors
- Ensure that the process of appointing executives is credible and transparent; and oversee induction and ongoing development of directors.

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

The Committee met three times during the year
The composition and Attendance are contained below

Name	Status	Meeting Dated 29/01/2024	Meeting Dated 19/04/2024	Meeting Dated 18/10/2024
Mr. Papa Ndiaye	Chairman	✓	✓	✓
Mrs. Joy Teluwo	Member	✓	✓	✓
Dr Daphne Dafinone	Member	✓	✓	✓
Chief (Dr) Anthony Aletor CON mni (JP)	Member	✓	✓	✓

Audit and Compliance Committee

The NAICOM Code makes the following provisions in respect of the responsibilities of the Audit and Compliance Committee: S.404 (7) of the Companies and Allied Matters Act, 2020 provides for the functions of the Committee.

- Be responsible for the review of integrity of the data and information provided in the Audit and/or Financial Report.
- Provide oversight functions with regards to both the Company's Financial Statement and its Internal Control and Risk Management Functions.
- Review the terms of engagement and recommend the appointment or reappointment and compensation of External Auditors to the Board and the Shareholders.
- Review the procedure put in place to encourage honest whistle blowing.
- Shall meet at least three times in a year and at least once with the External Auditors.
- The Committee performance shall be evaluated periodically.

The Committee met four times during the year and covered the basic components of these responsibilities.

The Composition of the Committee and schedule of attendance are as follows:

Name	Status	Meeting Dated 18/03/2024	Meeting Dated 14/06/2024	Meeting Dated 15/10/2024	Meeting Dated 12/11/2024
Mr. Christopher Ogba	Shareholder's Representative / Chairman WEF15th October 2024*	✓	✓	✓	✓
Mr. Taiwo Oderinde	Shareholder's Representative / Chairman till15th October 2024**	✓	✓	✓	✓
Mr. Samuel Mpamaugo	Shareholders' Representative	✓	✓	✓	✓
Mr. Kelechi Okoro	Non-Executive Director	✓	✓	✓	✓
Mrs. Abisola Giwa-Osagie	Non-Executive Director	✓	✓	✓	✓

* Mr Christopher Ogba became the chairman of the committee on 15th October, 2024

** Mr Taiwo Oderinde was the Chairman of the committee till 15th October 2024

4. DIVIDEND

Subsequent to the year-end and subject to approval at the next annual general meeting, the directors proposed a final dividend of 1 naira per share (2023: 60 kobo) on the issued and paid-up capital of N5bn (2023: N5bn) ordinary shares of N=1.00each for the year ended 31 December 2024 (see note 21). This amounts to N=5bn (2023: N=3bn)and this final dividend has not been reflected in the financial statements. Payment of dividends is subject to withholding tax at the rate of 10% in the hands of the recipient.

5. DIRECTORS AND DIRECTORS' INTEREST

a. Directors' Interest in Contract

No Director has disclosed any declarable interest in any contract with the Companyduring the year in pursuant to Section 303 of the Companies and Allied Matters Act, 2020.

b. Directors' Interest in Shares

The Interest of the Directors in the issued share capital of the Companyas recorded in the register of shareholders and/or as notified by them for the purposes of Sections 301 of the Companies and Allied Matters Act, 2020 are as follows:

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

Directors' Interest as at December 31 2024

NAME	Direct	Indirect	Total
MR. TOPE SMART	120,411,652	-	120,411,652
MR ANDREW IKEKHUA	1,362,856	-	1,362,856
MR. IDOWU SEMOWO	15,770,847	-	15,770,847
MR ADEYEMI MAYADENU	1,262,134	-	1,262,134
ALHAJI AHMED I. YAKASAI mni	-	-	-
MR PAPA NDIAYE	-	749,963,426	749,963,426
MR KELECHI OKORO	4,005,153	-	4,005,153
MRS JOY TELUWO	253,044	320,201,645	320,454,689
MRS ABISOLA GIWA-OSAGIE	13,986,656	-	13,986,656
CHIEF DAPHNE DAFINONE	-	350,023,219	350,023,219
CHIEF (DR) ANTHONY ALETOR CON mni (JP)	-	364,318,306	364,318,306
	157,052,342	**1,784,506,596**	**1,941,558,938**

Directors' Interest as at December 31 2023

NAME	Direct	Indirect	Total
MR. TOPE SMART	120,411,652	-	120,411,652
MR ANDREW IKEKHUA	1,362,856	-	1,362,856
MR IDOWU SEMOWO	15,270,847	-	15,270,847
ALHAJI AHMED I. YAKASAI mni	-	-	-
MR PAPA NDIAYE	-	1,499,926,852	1,499,926,852
MR KELECHI OKORO	-	-	-
MRS JOY TELUWO	253,044	320,201,645	320,454,689
MRS ABISOLA GIWA-OSAGIE	13,986,656		13,986,656
CHIEF DAPHNE DAFINONE	-	350,023,219	350,023,219
CHIEF (DR) ANTHONY ALETOR CON mni (JP)	-	364,318,306	364,318,306
FIDELIS AYEBAE	23,155,158	-	23,155,158
	174,440,213	**2,534,470,022**	**2,708,910,235**

6. DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for the preparation of the consolidated and separate financial statements which gives a true and fair view of the state of affairs of the Group at the end of each financial year and of the income statement for that year and comply with the Insurance Act CAP I17 LFN 2003, Financial Reporting Council of Nigeria (Amendment) Act 2023 and the Companies And Allied Matters Act, 2020.

7. SHAREHOLDING

The Registrar have advised that the issued capital of the Company as at 31 December, 2024 were beneficially held as follows:

	BEGINNING RANGE	TOTAL SHAREHOLDERS	% OF SHAREHOLDERS	TOTAL SHAREHOLDINGS	% OF SHAREHOLDINGS
1	1000	5,856	13.80	3,007,788	0.06
1001	5000	10,919	25.72	33,293,460	0.66
5001	10000	7,946	18.72	64,003,389	1.28
10001	50000	12,930	30.46	314,159,792	6.26
50001	100000	2,745	6.47	210,292,033	4.19
100001	500000	1,705	4.02	353,186,407	7.04
500001	1000000	180	0.42	135,485,224	2.70
1000001	5000000	128	0.30	259,089,929	5.16
5000001	10000000	13	0.03	93,639,301	1.87
10000001	50000000	10	0.02	189,768,400	3.78
50000001	100000000	15	0.04	3,360,552,044	66.99
Grand Total		**42,447**	**100**	**5,016,477,767**	**100**

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

The Registrar also advised that the issued capital of the Company as at 31 December, 2023 were beneficially held as follows:

	BEGINNING RANGE	TOTAL SHAREHOLDERS	% OF SHAREHOLDERS	TOTAL SHAREHOLDINGS	% OF SHAREHOLDINGS
	1000	5,487	12.99	2,906,232	0.06
1001	5000	10,886	25.78	33,249,056	0.66
5001	10000	7,977	18.89	64,438,297	1.28
10001	50000	13,063	30.93	317,977,756	6.34
50001	100000	2,759	6.53	211,410,899	4.21
100001	500000	1,718	4.07	355,356,674	7.08
500001	1000000	170	0.40	127,572,905	2.54
1000001	5000000	139	0.33	276,139,110	5.50
5000001	10000000	15	0.04	106,806,097	2.13
10000001	50000000	10	0.02	186,456,006	3.72
50000001	100000000	9	0.02	1,862,738,140	37.13
100000001	AND ABOVE	1	0.00	1,471,426,595	29.33
Grand Total		**42,234**	**100**	**5,016,477,767**	**100**

NEM SHARE CAPITAL HISTORY

AUTHORISED NOMINAL VALUE			ISSUED AND PAID-UP CAPITAL OTHER THAN BONUS				
			NO OF SHARES		BY BONUS		TOTAL
YEAR	16,000,000	AMOUNT N'000	NO OF SHARES	AMOUNT N'000	NO OF SHARES	AMOUNT N'000	CUMMULATIVE UNITS
1989	1,600,000	NIL	NIL	NIL	NIL	NIL	1,600,000
1990	20,000,000	NIL	NIL	NIL	NIL	NIL	1,600,000
1991	20,000,000	NIL	NIL	NIL	400,000	NIL	2,000,000
1992	20,000,000		NIL	NIL	NIL	NIL	2,000,000
1993	20,000,000	NIL	18,000,000	NIL	NIL	NIL	20,000,000
1996	240,000,000	NIL	NIL	NIL	5,000,000	NIL	25,000,000
1997	240,000,000	NIL	68,507,246	NIL	NIL	NIL	93,507,246
1998	240,000,000	NIL	NIL	NIL	93,992,754	NIL	187,500,000
1999	240,000,000	NIL	NIL	NIL	NIL	NIL	187,500,000
2000	240,000,000	NIL	NIL	NIL	NIL	NIL	187,500,000
2001	240,000,000	NIL	NIL	NIL	NIL	NIL	187,500,000
2002	240,000,000	NIL	NIL	NIL	NIL	NIL	187,500,000
2003	1,000,000,000	NIL	NIL	NIL	NIL	NIL	187,500,000
2004	1,000,000,000	NIL	NIL	NIL	518,628,000	NIL	706,128,899
2005	5,000,000,000	NIL	299,916,131	NIL	NIL	NIL	406,212,768
2006	5,000,000,000	NIL	NIL	NIL	NIL	NIL	406,212,768
2007	7,000,000,000	NIL	4,570,709,998	NIL	NIL	NIL	4,976,922,766
2008	8,400,000,000	NIL	NIL	NIL	NIL	NIL	4,976,922,766
2009	8,400,000,000	NIL	NIL	NIL	NIL	NIL	4 ,976,922,766
2010	8,400,000,000	NIL	303,580,147	NIL	NIL	NIL	5,280,502,913
2011	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2012	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2013	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2014	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2015	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2016	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2017	8.400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2018	8,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2019	10,000,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2020	10,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2021	10,400,000,000	NIL	NIL	NIL	NIL	NIL	5,280,502,913
2021	10,400,000,000	NIL	NIL	NIL	4,752,452,622	NIL	10,032,955,535
2021	5,016,477,767	NIL	NIL	NIL	NIL	NIL	5,016,477,767
2024	5,016,477,767	NIL	NIL	NIL	NIL	NIL	5,016,477,767

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

We hereby declare that as at 31 December, 2024, apart from Jeidoc Limited, Bukson Investment Limited, Capital Express Assurance Limited, AFIG Fund 11 LP and Apel Asset Trust Limited Nominees (the shareholders with 5% and above), no other person or persons hold more than 5% and above in the issued and fully paid up shares of the company.

SUBSTANTIAL SHAREHOLDINGS WITH 5% AND ABOVE

	31ST DECEMBER 2024		31ST DECEMBER 2023	
NAME	UNIT HOLDING	%HOLDING	UNIT HOLDING	%HOLDING
AFIG FUND 11 LP	749,963,426	14.95	1,499,926,851	29.90
CAPITAL EXPRESS ASSURANCE LIMITED	364,318,306	7.26	364,318,306	7.26
JEDOIC LIMITED	350,023,219	6.98	350,023,219	6.98
BUKSON INVESTMENT LIMITED	320,201,645	6.38	320,201,645	6.38
APEL ASSET TRUST LIMITE NOMINEES	250,823,888	5.00		
TOTAL HOLDING	**2,035,330,484**	**40.57**	**2,534,470,021**	**50.52**

Dr Daphne Dafinone represents Jeidoc Limited, Mrs. Joy Teluwo represents Bukson Investment Limited, Chief Anthony Aletor represents Capital Express Assurance Company Limited while Mr. Papa Ndiaye and Mr. Kelechi Okoro represent AFIG Funds. Presently, there is no representative of Apel Asset Trust Limited Nominees on the Board of Directors.

FREE FLOAT

	31st December 2024	%	31st December 2023	%
Free Float in Units and Percentage	2,824,094,940	**56.30%**	2,307,567,531	**46.00%**
Free Float in Value	**30,923,839,593.00**		22,844,918,556.90	

8. **SECURITY TRADING POLICY**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Share, Rulebook of the Exchange 2015 (Issuers Rules), the Company maintain a Security Trading Policy that applies to all employees, audit committee members and Directors, and this has been circulated to all employees that may at times possess any insider or material information about the company. The policy includes the need to enforce confidentiality against external advisers.

9. **RETIREMENT BY ROTATION AND RE-ELECTION**

In accordance with the Section 285 of the Companies and Allied Matters Act, 2020, Mrs Joy Teluwo and Alhaji Ahmed I. Yakasai will retire by rotation and being eligible offer themselves up for re-election. Their profiles are contained in this annual report and also on the Company's website.

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

10. COMPOSITION OF DIRECTORS

The Board of Directors of the company is currently comprised of the under listed individuals:

Mr. Tope Smart	Group Chairman
Mr Andrew Ikekua	Managing Director
Mr. Idowu Semowo	Executive Director
Mr. Adeyemi Mayadenu	Executive Director
Alhaji Ahmed I. Yakasai mni	Independent Non-Executive
Mrs Joy Teluwo	Non-Executive Director
Mr. Papa Ndiaye	Non-Executive Director
Mr. Kelechi Okoro	Non-Executive Director
Dr Daphne Dafinone	Non-Executive Director
Chief (Dr) Anthony Aletor CON mni (JP)	Non-Executive Director
Mrs. Abisola Giwa-Osagie	Non-Executive Director

11. RECORDS OF THE DIRECTORS ATTENDANCE

In accordance with Section 252 of the Companies and Allied Matters Act, 2020, the records of the Directors' attendance at Directors' meetings in 2024 are available for inspection at the Annual General Meeting.

12. COMPLAINTS MANAGEMENT POLICY

In compliance with the Securities and Exchange Commission's Rule on Complaints Management for Public Companies, the company has in place an investor complaint desk at its head office to resolve complaints arising from issues covered under the Investment and Securities Act (ISA) 2007

13. DONATIONS

Donations during the year ended 31 December 2024 amounted to N46,239,960 (2023: N23,528,512) as follows:

Donations as at 31 December, 2024	N
PROFESSIONAL INSURANCE LADIES ASSOCIATION	1,487,800
NATIONAL COUNCIL OF REGISTERED INSURANCE BROKERS	4,000,000
RACHO CHILD, MODUPE COLE & HERITAGE HOMES ORPHANAGE	1,250,000
ACTUARIAL SCIENCE AND INSURANCE STUDENTS ASSOCIATION	200,000
UNIQUE EDUCATION LIMITED	1,250,000
NIGERIAN ASSOCIATION OF INSURANCE AND PENSION EDITORS	1,000,000
PHARMACEUTICAL MANUFACTURERS GROUP OF MANUFACTURERS ASSOCIATION OF NIGERIA	1,000,000
AFRICAN INSURANCE ORGANISATION	28,301,800
ASHAYE FOUNDATION	2,000,360
SOCIETY OF WOMEN IN SAFETY HEALTH AND ENVIRONMENT	250,000
NIGERIAN MEDICAL STUDENTS' ASSOCIATION	1,250,000
NIGERIAN INSURERS ASSOCIATION	3,000,000
BUSINESS JOURNAL ANNUAL LECTURE	750,000
LASUTECH TENNIS CLUB, IKORODU, LAGOS	500,000
	46,239,960

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

DONATIONS AS AT 31 DECEMBER, 2023

ELEGBA FESTIVAL RESIDENTIAL COMMUNITY DEVELOPMENT ASSOCIATION	1,000,000
NIGERIAN COUNCIL OF REGISTERED INSURANCE BROKERS	2,500,000
NIGERIAN INSURERS ASSOCIATION	1,500,000
PROFESSIONAL INSURANCE LADIES ASSOCIATION	1,350,000
AUCHI POLYTHENIC	400,000
ANSARUDEEN SOCIETY OF NIGERIA, ISEYIN	250,000
AFFILIATE OF TRADE UNION CONGRESS OF NIGERIA	200,000
GROWING GRACE HOME	750,000
ALPES CHARITY FOUNDATION	250,000
IGNITE CAREER INITIATIVE	2,000,000
CATHOLIC DIOCESE OF ISSELE UKU ST PAUL'S GRAMMAR SCHOOL	300,000
YABA COLLEGE OF TECHNOLOGY	1,000,000
SECURITY & EXCHANGE COMMISSION	1,000,000
REDEEMED CHRISTIAN CHURCH OF GOD	250,000
RACO CHILD AND RURAL CARE INITIATIATIVE	800,000
DESSY-ROXY KIDS-HOME	1,000,000
LIFT ABOVE POVERTY ORGANIZATION	1,000,000
CHARTERED INSURANCE INSTITUTE OF NIGERIA	1,000,000
LAGOS CHAMBER OF COMMERCE AND INDUSTRY	300,000
NIGERIN BRITAIN ASSOCIATION	2,856,542
AFRICAN INSURANCE WOMEN ASSOCIATION	2,321,970
LAGOS BUSINESS SCHOOL	250,000
POLICE COMMUNITY RELATION COMMITTEE, ILUPEJU	300,000
THE STILL WATERS MENTAL HEALTH FOUNDATION	500,000
TIGER TENNIS FOUNDATION	200,000
ARMED FORCES REMEMBRANCE	250,000
TOTAL	**23,528,512**

14. EVENTS AFTER REPORTING DATE

There were no events after the reporting date that could have had a material effect on the financial statements of the Company as at 31 December 2024 that have not been provided for or disclosed in these financial statements.

15. EMPLOYMENT AND EMPLOYEES

It is the policy of the Group not to adopt discriminatory criteria for considering applications for employment including those from physically challenged persons. All employees whether physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion.

When an employee becomes disabled during his or her employment, the Group endeavours to retain the individual for employment in spite of his/her disability, when this is reasonably possible. As at 31 December, 2024 two physically challenged persons (2023; two persons) were in the employment of the Group.

16. EMPLOYEES INVOLVEMENT, TRAINING AND DEVELOPMENT

i. Information Dissemination

The employees are regularly provided with information on matters that are of concern to them through established channels of communication.

ii. Consultation with employees

There are regular consultations between the staff and Management, particularly on matters affecting staff welfare.

iii. Encouraging employees' involvement and training

The employees are the Group's most valuable and cherished resource. The Group is therefore committed to their continuous training and development. In line with this policy of continuous development of the human resources, members of staff are sent on training programs. The courses are aimed at broadening their technical/professional knowledge and managerial skills.

Report of **Directors** Cont'd

For The Year Ended 31 December 2024

iv. Health, Safety at work and welfare of employees

The Group places high premium on health and welfare of its employees. Adequate Medical facilities are provided for staff and their families at private hospitals retained in their respective localities. Transportation, housing and lunch subsidies are provided to all levels of employees. Firefighting equipment are also installed in strategic positions in the office building.

17. AUDITORS

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

BY ORDER OF THE BOARD

IFUNANYA IWUAGWU
COMPANY SECRETARY
Lagos, Nigeria
FRC/2024/PRO/ICSAN/002/252928
Date: 6 March 2025

Board of Directors

Board of **Directors**

MR TOPE SMART
GROUP CHAIRMAN

Board of **Directors** Cont'd

MR ANDREW IKEKHUA

MANAGING DIRECTOR/ CEO

MR IDOWU SEMOWO

EXECUTIVE DIRECTOR FINANCE AND INVESTMENT

ADEYEMI MABAYOJE MAYADENU

EXECUTIVE DIRECTOR (TECHNICAL)

Board of **Directors** Cont'd

ALHAJI AHMED I. YAKASAI **mni, FPSN**
INDEPENDENT DIRECTOR

MRS JOY TELUWO
DIRECTOR

MR PAPA MADIAW NDIAYE
DIRECTOR

Board of **Directors** Cont'd

KELECHI OKORO
DIRECTOR

CHIEF (DR) ANTHONY ALETOR CON mni (JP)
DIRECTOR

DR DAPHNE DAFINONE
DIRECTOR

MRS ABISOLA GIWA - OSAGIE
DIRECTOR

Re-election of Director

MRS JOY TELUWO
DIRECTOR

Joy Teluwo is a leader, entrepreneur and a registered nurse and midwife with over 25 years' experience after graduating from the Edo State School of Nursing. She currently sits as the Managing Director/Chief Executive Officer of Jotel Trade Park Limited.

In her journey in the corporate sector, with a career spanning over 15 years, she specializes in risk management, where she garnered more skills in management which include team building, business development, customer service relationship, marketing management, amongst others. She joined Vigilant Oil & Gas Limited as General Manager where she set up the risk management unit in 2002.

Joy continues to successfully run three indigenous companies including Tropical Farms Limited.

Re-election of Director

ALHAJI AHMED I. YAKASAI mni, FPSN *DIRECTOR*

Kachallan Kano is an accomplished Pharmacist and Independent Consultant with comprehensive background in pharmaceutical fields and international marketing with bias in Search and Social Media marketing and Public-Private Partnerships. He has a long-distinguished career in various fields of Pharmacy, Healthcare Research, Engineering and Construction, Telecoms and Regulatory Affairs with over 41 years' experience.

He is the immediate Past President of the Pharmaceutical Society of Nigeria (PSN) from 2015 – 2018 and is also an Honorary Consul-General of Pakistan in Nigeria and Founder/CEO, Pharmaplus Nigeria Limited, Multiplus Resource Limited and Blue Quest Engineering and Construction Company Limited.

He obtained his first degree in Pharmacy from the prestigious Ahmadu Bello University, Zaria in 1983 and so many post-graduate courses including International Marketing (Search and Social Media Marketing) 2014 – 2015 from University of Salford, Manchester UK. Alhaji Yakasai attended the prestigious National Institute for Policy and Strategic Studies (NIPSS), Kuru , SEC 42, 2020 and graduated with Member National Institute (mni) on 12th December 2020.

Ahmed worked variously in both the public and private sectors: Two terms Commissioner in Kano State, First, he was Commissioner of Commerce, Industry, Cooperatives and Tourism (2005 – 2010) and was redeployed to the ministry of Land and Physical Planning from 2010-2011. Alhaji Yakasai was also former Vice President, Kano State Chamber of Commerce.

He is a Fellow of the Pharmaceutical Society of Nigeria, Fellow of Nigeria Academy of Pharmacy, Fellow of the West African Postgraduate College of Pharmacists, Fellow of Nigerian Institute of Chartered Chemists, Fellow of Professional Excellence Foundation of Nigeria amongst others.

Yakasai Ahmed is also on the board of several companies.

Ratification of Director

ADEYEMI MABAYOJE MAYADENU - HND, ACIIN, MBA

EXECUTIVE DIRECTOR (TECHNICAL)

Mr Adeyemi Mabayoje Mayadenu holds a Higher National Diploma Certificate in Insurance from The Polytechnic Ibadan (1993) and Executive Master of Business Administration in 2016 from Metropolitan School of Business & Management (MSBM), United Kingdom. He became an Associate member of the Chartered Insurance Institute of Nigeria (ACIIN) in 2001.

His insurance career started from Nigeria Life & Pensions, Lagos where he served as a clerk in 1990. He served as a Youth Corp Member at the Regional office of NICON Insurance Company, Benin City (1994-1995). He then proceeded to Hogg Robinson (Nig.) Limited, Warri as a senior staff (1995-1998). Thereafter, he worked in various capacities with reputable insurance companies including IGI Company Limited and Goldlink Insurance Plc. He joined Vigilant Insurance Company Limited as an Assistant Controller and head the Port Harcourt branch of the company in 2003. After 2007 recapitalization which lead to the merger with Vigilant Insurance Limited Company with NEM Insurance Plc, Mr Mayadenu was retained as the head of the branch and promoted to the position of Assistant General Manager due to his outstanding performance.

Mr Mayadenu is a versatile Insurance practitioner with vast experience in technical, business development, product development with great marketing acumen of insurance business. He has attended several courses (home and abroad) in Insurance, Marketing, Strategy, Management and Leadership including certification in Leadership Management from Corporate Coach Group, Gloucester in United Kingdom.

In year 2016, he was elevated to the position of Deputy General Manager and was transferred to the Head Office as Head of Strategy and Business Development, and later as the Head, Strategy and Systems Department where he supervised the company's strategy, business development and ICT. In addition to these roles, Mr Mayadenu following NAICOM's approval, was also appointed by the Company as the Chief Compliance Officer.

Mr Mayadenu is a member of the Compliance Institute of Nigeria (CIN) and Chairman, Risk, Audit and Compliance Committee of Nigerian Insurers Association, between 2020 and 2024

In recognition of Mr Mayadenu's dedication and proficiency, he was elevated to the position of Executive Director, Technical in April 2024.

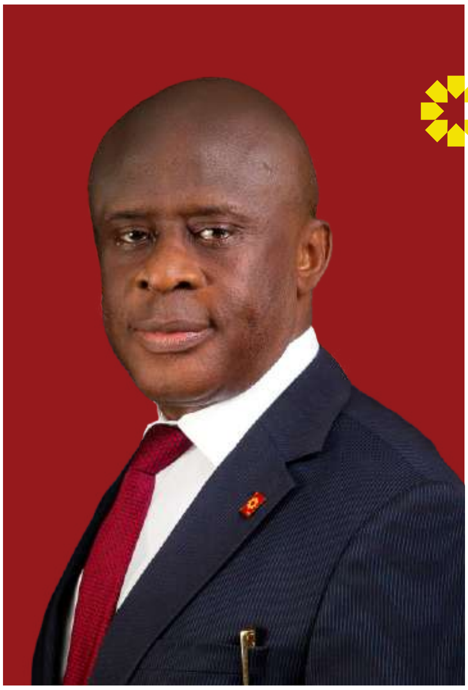
He is happily married with children.

Management Team

Management **Team**

MR ANDREW IKEKHUA

MANAGING DIRECTOR - CEO



MR IDOWU SEMOWO

EXECUTIVE DIRECTOR FINANCE AND INVESTMENT

ADEYEMI MABAYOJE MAYADENU

EXECUTIVE DIRECTOR (TECHNICAL)

MRS MOJISOLA TELUWO

GM CORPORATE SERVICES

Management **Team** Cont'd

MR GEORGE EMEFIELE

GM MARKETING

MRS MOYOSOLA OKEREMI

DGM, MARKETING

MR KAYODE ARIMORO

DGM BRANCHES AND SPECIAL ACCOUNTS

MRS BOLANLE BARUWA

DGM UNDERWRITING

Management **Team** Cont'd

MR BUNMI AGBABIAKA -

DGM OIL& GAS

MR JAMES ONORIENBOHWO

AGM (INTERNAL AUDIT)

MR MICHAEL GIWA

AGM GARKI

MR MARTINS ILEGOMA

AGM WUSE

Management **Team** Cont'd

MS OLAYINKA OJIKUTU -

AGM HUMAN RESOURCES

MR LUCKY OKPARAVERO

AGM MAINLAND

MR ABIOLA AGBOOLA

GROUP HEAD, CLAIMS & REINSURANCE

MRS IFUNANYA IWUAGWU

COMPANY SECRETARY

Our journey is
defined by trust,
strengthened by faithfulness,
and powered by reliability.
These principles guide
us forward.

Financial Statements and Notes to the Account

Report of **External Consultants On Board Appraisal**

NEM INSURANCE PLC

In line with the provisions of Principle 14.1 of the National Code of Corporate Governance (NCCG), and section 4.0 of the NAICOM Guidelines, as well as global best practice standards on Corporate Governance, 18 Temple was engaged by NEM Insurance Plc to carry out an evaluation of the performance of the Board of Directors, and an assessment of the Company's corporate governance structure for the year ended 31st December 2024.

This assessment comprised of a review of both the corporate and statutory documents of the company, as well as an assessment of the members of the Board and key members of the Executive Management. The Board's performance and the company's corporate governance structure were benchmarked against the provisions of the NCCG Code, the SEC Corporate Governance Guidelines, the NAICOM Guidelines, as well as global best practice requirements. The key point indicators include but are not limited to:

- The Board of Directors (composition, Terms of Service, Separation of Role of Chairman and Managing Director, Board Mandate, Appointment of Board Members, etc)
- The internal Structure
- Code of Conduct and Ethics
- Transparency and Disclosure
- Company Policies

Based on the concluded exercise and the Report prepared, we hereby confirm that NEM Insurance Plc has complied significantly with the corporate governance requirements of the NCCG, the SEC Guidelines, the NAICOM Guidelines, as well as recognized standards of best practice.

We trust that the Board will adopt and implement the recommendations articulated in the Board and Corporate Governance Report for further improvement of NEM Insurance Plc's corporate governance practice.

BY ORDER OF THE BOARD

ABIODUN ARIYIBI
18 Temple Nominees Limited
FRC/2013/ICAN/00000001548
Lagos, Nigeria

Statement of **Directors' Responsibilities In Relation to the Consolidated and Separate Financial Statements For The Year Ended 31 December 2024**

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act. (CAMA), 2020 the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

....	....	....
Mr. Tope Smart (Group Chairman)	**Mr. Andrew Ikekhua (MD/CEO)**	**Mr. Idowu Semowo (CFO)**
FRC/2013/CIIN/00000001331	**FRC/2018/CIIN/00000018245**	**FRC/2013/ICAN/00000001466**
6 March 2025	**6 March 2025**	**6 March 2025**

Statement of **Corporate Responsibility for the Consolidated and Separate Financial Statements For The Year Ended 31 December 2024**

Further to the provisions of section 405 of the Companiesand Allied Matters Act (CAMA), 2020, we, the ManagingDirector/CEO and Chief Financial Officer, hereby certify the consolidated and separate financial statements of NEM Insurance Plc ("the Company") and its subsidiaries ("together referred to as "the Group") for the year ended 31 December 2024 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Group for the year ended 31 December 2024.

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

c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and subsidiaries as of and for, the year ended 31 December 2024.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group is made known to us by other officers of the companies, during the year ended 31 December 2024.

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

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

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

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and have identified for the Group's auditors any material weakness in internal controls, and

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

....	....
Mr. Andrew Ikekhua (MD/CEO)	**Mr. Idowu Semowo (CFO)**
FRC/2018/CIIN/00000018245	**FRC/2013/ICAN/00000001466**
6 March 2025	**6 March 2025**

Environmental, Social and Governance (ESG) Report

At NEM Insurance Plc we are committed to integrating Environmental, Social, and Governance (ESG) principles into our core operations and decision-making processes. We recognize the impact of our operations on the environment and are actively working to reduce our ecological footprint.

In furtherance of ensuring the adoption of the sustainability reporting disclosure standards in its 2025 accounts, the Company has engaged the services of a consultant whose responsibility it is to guide the company through the process and ensure that our subsequent accounts are compliant with the reporting standards.

The Company's environmental responsibility would focus on carbon emissions, energy use, waste management and sustainability initiatives. While the focus for social responsibility would be centred on diversity & inclusion, employee engagement, community engagement and human rights.

On Governance, the company's focus would entail board diversity, ethics and compliance, data protection and privacy and cybersecurity.

In the interim, the company has broadened its social impact by actively engaging in endeavours aimed at bolstering client protection principles and support. These efforts encompass transparency initiatives, the development of beneficial products tailored to safeguard diverse client interests, stringent measures to protect client data privacy, and the establishment of an effective feedback mechanism to address clients' concerns, thereby enhancing service delivery.

NEM is dedicated to preserving and safeguarding the environment through conscientious management of water and electricity resources. Rigorous maintenance practices for generators and vehicles are upheld to minimize fuel consumption. Additionally, the company has implemented safety measures such as the installation of first aid kits and fire safety equipment across all branches and at the head office.

We remain committed to continuous improvement and transparency in our ESG journey which is a reflection of our values, our people, and our purpose. We thank our stakeholders for their continued support as we work to build a sustainable and equitable future.

Report Of The **Audit And Compliance Committee**

To the members of NEM Insurance Plc

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act, 2020, we the Members of the Audit and Compliance Committee of NEM Insurance Plc, having carried out our statutory functions under the Act, hereby report as follows:

- We have reviewed the scope and planning of the audit for the year ended 31 December 2024 and we confirm that they were adequate;
- The Company's and its Subsidiaries reporting and accounting policies as well as internal control systems conform to legal requirements and agreed ethical practices; and
- We are satisfied with the departmental responses to the External Auditors' findings on management matters for the year ended 31 December 2024

Finally, we acknowledge and appreciate the co-operation of Management and Staff in the conduct of these duties.

……………………………………….

Mr. Christopher Ogba
Chairman of the Audit and Compliance Committee
FRC/2019/ANAN/00000019293
Date: 4 March 2025

Members of the Audit Committee

Mr. Christopher Ogba	(Shareholders' Representative)	Chairman
Mr. Taiwo Oderinde	(Shareholders' Representative)	Member
Mr. Samuel Mpamaugo	(Shareholders' Representative)	Member
Mr. Kelechi Okoro	(Non Executive Director)	Member
Mrs Abisola Giwa Osagie	(Non Executive Director)	Member

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

Certification Of **Management's Assessment On Internal Control Over Financial Reporting**

To comply with the provisions of Section 11 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of NEMInsurance Plc for the year ended 31 December 2024.

I, Andrew Ikekhua, certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of NEM Insurance Plc ("the Company") and its subsidiaries (together "the Group");

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The Group's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, [and its consolidated subsidiaries, is made known to us by others within those entities,] particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

4) have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's auditors and the audit committee:

1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and

2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.

f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

....

Mr. Andrew Ikekhua (MD/CEO)
FRC/2018/CIIN/00000018245
6 March 2025

Certification Of **Management's Assessment On Internal Control Over Financial Reporting**

To comply with the provisions of Section 11 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of NEMInsurance Plc for the year ended 31 December 2024.

I, Idowu Semowo, certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of NEM Insurance Plc ("the Company") and its subsidiaries (together "the Group");

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The Group's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, [and its consolidated subsidiaries, is made known to us by others within those entities,] particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

4) have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Group's auditors and the audit committee:

1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and

2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.

f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

....

Mr. Idowu Semowo (CFO)
FRC/2013/ICAN/00000001466
6 March 2025

Report on the **Effectiveness of Internal Control over Financial Reporting** as of **31 December 2024**

The management of NEM Insurance Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange Act, 2007 and the Financial Reporting Council (Amendment) Act, 2023

The management of NEM Insurance Plc assessed the effectiveness of our internal control over financial reporting of the Company and its subsidiaries (together "the Group") as of 31 December 2024 using the criteria set forth in Internal Control - Integrated Framework, 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission, ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of December 31, 2024, the management NEM Insurance Plc did not identify any material weakness in the design and the operating effectiveness of its internal control over financial reporting. As a result, management has concluded that the Group's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages "xxii – xxiii" of this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Group's internal control over financial reporting.

Mr. Andrew Ikekhua (MD/CEO)	**Mr. Idowu Semowo (CFO)**
FRC/2018/CIIN/00000018245	**FRC/2013/ICAN/00000001466**
6 March 2025	**6 March 2025**

Independent **Auditor's Limited Assurance Report**

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
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To the Shareholders of NEM InsurancePlc

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of NEM Insurance Plc ("the Company") and its subsidiaries (together "the Group") as of 31 December 2024 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group 's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

We have audited the consolidated and separate financial statements of NEM Insurance Plc in accordance with the International Standards on Auditing, and our report dated 28 March 2025 expressed an unmodified opinion of those consolidated and separate financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of NEM Insurance Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024. Our responsibility is to express a conclusion on the *Group's* internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

KPMG

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Obaloje

Obaloje J. Oseme, FCA
FRC/2013/PRO/ICAN/004/00000004803
For: KPMG Professional Services
Chartered Accountants
28 March 2025
Lagos, Nigeria

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To the Shareholders of NEM Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

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

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRSAccounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

Key Audit Matters

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

Valuation of insurance contract liabilities

As at 31 December 2024, the Group had insurance contract liabilities of ₦41 billion (2023: ₦25.1 billion). The measurement of insurance liabilities consists of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) including both reported but not settled claims as well as incurred but not reported claims (IBNR).

The Group primarily uses the Premium Allocation Approach (PAA) under IFRS 17. The PAA is applied for the measurement of the groups of insurance contracts.

The result of management's assessments regarding the calculation of the liability for incurred claims depends on inputs, the choice of actuarial methods and the precision of management judgment in determining actuarial assumptions. Key assumptions with the greatest impact on the carrying amount include inflation, discount rates as well as estimated future payments for claims.
Valuation of insurance contract liabilities requires significant management judgement and accounting assumptions about uncertain future events, which may materially affect the carrying amount, and thus is a key audit matter.

Refer to the following notes in the consolidated and separate financial statements: Note 1.4.4 Judgments, Estimates and Assumptions on Insurance Contracts liabilities, Note 2.30 IFRS 17 – Insurance Contracts Accounting Policies, Note 6 Reinsurance contract assets, Note 15 Insurance Contract Liabilities and Note 49 Financial Risk Management Policy – Management of financial and insurance risk section

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design, implementation and operating effectiveness of key controls implemented by the Group and the Company which includes management review of data used for the valuation of insurance contract liabilities.
- We evaluated the Group's methodology to determine and allocate expected premium receipts to periods.
- We tested the completeness and accuracy of the databases used in determining the assumptions, as well as on actuarial calculations.
- We considered the Group's valuation methodology and assumptions for consistency between reporting periods, as well as for indicators of possible bias.
- Assisted by our actuarial specialists, we performed the following procedures:
    - We evaluated management's PAA eligibility assessment.
    - We evaluated the appropriateness of methods/models and assumptions to determine ultimate expected claims including ultimate claims ratios, frequency and severity of claims, payment patterns and estimate discount rate curves.
    - We performed walkthroughs on the computation of insurance revenue for selected portfolios for each cohort under PAA.
    - We assessed the assumptions used in estimating risk adjustments to evaluate whether it is in line with the requirements of the relevant accounting standard and industry practices.
    - We assessed whether the method / model for determining future cash flows is in line with the requirements of the relevant accounting standard and standard industry practices.

- We assessed the appropriateness of the disclosures in the consolidated and separate financial statements with regard to the liability for incurred claims associated with the premium allocation approach, considering the requirements of IFRS 17.

Other Information

The Directors are responsible for the other information The other information comprises Corporate Information, Results at a Glance, Reports of Directors, Report of external consultants on Board Appraisal, Statement of Directors' responsibilities, Statement of Corporate responsibilities, Environmental, Social and Governance (ESG) Report, Report of the Audit and Compliance Committee Certification Pursuant to Section 60 of the Investment and Securities Act, 2007, Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 and Other national disclosures which we obtained to the date of this auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Other information also include Notice of 55th Annual General Meeting, Message from the Chairman, GMD/CEO Report, Profile of the Board of Directors, Management Team Profile, Proxy Form, Shareholder's information, E-dividend Mandate Activation Form, together "the outstanding reports", which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income[1] are in agreement with the books of account.

Penalties

The Company paid penalties in respect of contravention of the requirements of the National Insurance Commission Guidelines and Circulars during the year ended 31 December 2024. Details of penalties paid are disclosed in note 36(d) to the consolidated and separate financial statements.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 28 March 2025. That report is included on pages 71 - 73 of the annual report

Oseme Obaloje, FCA
FRC/2013/PRO/ICAN/004/00000004803
For: KPMG Professional Services
Chartered Accountants
28 March 2025
Lagos, Nigeria

Consolidated And Separate Statements Of Financial Position

		Group		Parent	
		2024	2023	2024	2023
Assets	**Notes**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	3	13,978,898	8,002,993	12,771,656	7,907,551
Financial investments					
- At fair value through profit or loss	4	11,409,434	10,463,494	11,409,434	10,463,494
- At fair value through other comprehensive income	4	64,431	75,219	64,431	75,219
- At amortised cost	4	68,577,216	36,355,234	68,577,216	36,355,234
Insurance contract assets	15.1	-	-	-	-
Premium Receivable	5	1,271,090	450,143	253,022	354,531
Reinsurance contract assets	6	15,910,561	9,433,042	15,910,561	9,433,042
Other receivables and prepayments	8	3,257,300	2,148,365	2,911,773	1,875,423
Investment in Subsidiary	10	-	-	435,000	435,000
Investment properties	11	3,730,585	2,353,946	3,730,585	2,353,946
Statutory deposit	12	320,000	320,000	320,000	320,000
Intangible asset	13	71,473	54,110	37,377	42,161
Property, Plant and Equipment	14(a)(b)	4,934,615	4,202,175	4,762,981	4,059,350
Right-of-use Assets	14(c)	706,352	609,015	748,830	609,015
Total Assets		**124,231,955**	**74,467,735**	**121,932,866**	**74,283,965**
Liabilities					
Insurance contract liabilities	15	42,330,564	25,285,724	41,093,559	25,097,847
Reinsurance contract liabilities	6.1	-	-	-	-
Other technical liabilities	16	718,236	857,381	666,240	783,901
Borrowings	28	-	1,557,737	-	1,557,737
Other payables	17.1	5,589,070	2,093,470	4,568,064	2,015,522
Lease liabilities	17.2	462,408	473,241	495,722	473,241
Income tax liability	19	6,968,545	1,155,152	6,947,308	1,154,348
Deferred tax liabilities	20(ii)	2,723,991	4,507,627	2,722,816	4,505,697
		58,792,815	35,930,332	56,493,708	35,588,294
Share capital	21	5,016,477	5,016,477	5,016,477	5,016,477
Statutory contingency reserve	22	15,653,975	9,837,510	15,653,975	9,837,510
Retained earnings	23	41,966,836	21,578,802	42,035,969	21,779,997
FVOCI reserve	24	(57,065)	(46,277)	(57,065)	(46,277)
Asset revaluation reserve	25	2,789,801	2,107,964	2,789,801	2,107,964
Insurance finance reserve	7	-	-	-	-
Non-controlling interest	9	69,116	42,927	-	-
Total Equity		65,439,140	38,537,403	65,439,157	38,695,671
Total Equity and Liabilities		**124,231,955**	**74,467,735**	**121,932,866**	**74,283,965**

The financial statements were approved by the Board of Directors and authorised for issue on 6 March 2025 and signed on its behalf by:

Mr. Tope Smart (Group Chairman)
FRC/2013/CIIN/00000001331

Mr. Andrew Ikekhua (MD/CEO)
FRC/2018/CIIN/00000018245

Mr. Idowu Semowo (CFO)
FRC/2013/ICAN/00000001466

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

Consolidated And Separate Statements Of **Profit Or Loss And Other Comprehensive Income**

FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Parent	
		2024	2023	2024	2023
	Notes	N'000	N'000	N'000	N'000
Insurance Revenue	27	97,966,541	52,112,435	96,644,516	51,993,997
Insurance Service Expenses	32.1	(61,008,412)	(34,218,972)	(60,126,501)	(34,116,367)
Net expenses on Reinsurance contracts	29.1	(18,138,541)	(12,795,475)	(18,138,541)	(12,795,475)
Insurance Service Result		**18,819,588**	**5,097,987**	**18,379,474**	**5,082,156**
Interest revenue calculated using the effective interest method	33a	6,858,654	2,649,191	6,789,128	2,648,134
Dividend Income	33	771,736	687,422	771,736	687,422
Net foreign exchange gain	35.2	14,803,675	11,388,625	14,785,554	11,388,625
Net Fair value gain	34	1,762,142	4,807,948	1,762,142	4,807,948
Net credit impairment losses	36(c)	(1,050,429)	(213,317)	(1,049,618)	(213,317)
Net Investment result		**23,145,778**	**19,319,869**	**23,058,941**	**19,318,812**
Insurance finance expenses from insurance contracts issued	15.1	(351,320)	(389,227)	(351,320)	(389,227)
Insurance finance Income from reinsurance contracts held	6.1	318,947	234,922	318,947	234,922
Net Insurance finance expenses		**(32,373)**	**(154,305)**	**(32,373)**	**(154,305)**
Net Insurance and Investment result		**41,932,993**	**24,263,551**	**41,406,043**	**24,246,663**
Other operating income	35	497,451	242,610	181,693	180,117
(Loss)/Gain on disposal of property, plant and equipment	37	(8,729)	13,657	(8,729)	13,657
Management expenses	36	(8,523,079)	(5,279,154)	(7,920,820)	(4,912,943)
Finance cost	30	(199,983)	(362,809)	(137,768)	(348,772)
Profit before taxation		**33,698,653**	**18,877,855**	**33,520,419**	**19,178,721**
Income taxes	19(b)	(4,458,079)	(5,929,070)	(4,438,096)	(5,924,145)
Profit for the year after tax		**29,240,575**	**12,948,785**	**29,082,323**	**13,254,576**
Other comprehensive income:					
Items within OCI that may be reclassified to the Profit or loss:					
Actuarial loss-change in assumption	18	-	(11,463)	-	(11,463)
Items within OCI that will not be reclassified to the Profit or loss:					
Fiar value (Loss)/Gain on equity instruments at FVTOCI	24	(10,788)	21,488	(10,788)	21,488
Gain on revaluation of land and buildings	25	681,837	-	681,837	-
Total other comprehensive income for the year		**671,049**	**10,025**	**671,049**	**10,025**
Total comprehensive income for the year		**29,911,624**	**12,958,810**	**29,753,372**	**13,264,601**
Profit/(Loss) Attributable to:					
Equity holders of the parent		**29,214,386**	**13,020,855**	**29,082,323**	**13,254,576**
Non controlling interest		**26,189**	**(72,073)**	**-**	**-**
		29,240,575	**12,948,785**	**29,082,323**	**13,254,576**
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		**29,885,434**	**13,030,880**	**29,753,372**	**13,264,601**
Non controlling interest		**26,189**	**(72,073)**	**-**	**-**
		29,911,624	**12,958,810**	**29,753,372**	**13,264,601**
Basic earnings per share (Kobo)		582	260	580	264
Diluted earnings per shares (Kobo)		582	260	580	264

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

Consolidated Statement **of Changes in Equity** (Group) for the year ended 31 December 2024

	Share capital	Share premium	Contingency reserve	Other reserve - Gratuity	FVOCI Reserve	Asset revaluation reserve	Retained earnings	Total	Non-controlling Interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January 2024	5,016,477		9,837,510		(46,277)	2,107,964	21,578,804	38,494,478	42,927	38,537,405
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	29,214,386	29,214,386	26,189	29,240,575
Fair value loss on equity instruments at FVOCI	-	-	-	-	(10,788)	-	-	(10,788)	-	(10,788)
Gain on revaluation of land and building	-	-	-	-	-	681,837	-	681,837	-	681,837
Total comprehensive income for the year	-	-	-	-	(10,788)	681,837	29,214,386	29,885,435	26,189	29,911,624
Transfer to contingency reserve	-	-	5,816,465		-	-	(5,816,465)	-	-	-
Transaction with owners recorded directly in equity:										
Dividend declared during the year	-	-	-	-	-	-	(3,009,887)	(3,009,887)	-	(3,009,887)
Total transaction with owners of equity	-	-	-	-	-	-	(3,009,887)	(3,009,887)	-	(3,009,887)
Balance at 31 December 2024	5,016,477	-	15,653,975	-	(57,065)	2,789,802	41,966,838	65,370,026	69,116	65,439,142
Balance at 1 January 2023	5,016,477	-	7,186,595	58,581	(67,765)	2,107,964	12,713,807	27,015,659	-	27,015,659
Total comprehensive income for the year:										
Profit/(loss) for the year	-	-	-	-	-	-	13,020,854	13,020,854	(72,073)	12,948,781
Fair value gain on FVOCI	-	-	-	-	21,488	-	-	21,488	-	21,488
Reclassification of other actuarial gain	-	-	-	(47,118)	-	-	-	(47,118)	-	(47,118)
Changes in valuation of gratuity	-	-	-	(11,463)	-	-	-	(11,463)	-	(11,463)
Total comprehensive income for the year	-	-	-	(58,581)	21,488	-	13,020,854	12,983,761	(72,073)	12,911,688
Transfer to contingency reserve	-	-	2,650,915	-	-	-	(2,650,915)	-	-	-
Transaction with owners recorded directly in equity:										
Addition during the year	-	-	-	-	-	-	-	-	115,000	115,000
Dividend declared during the year	-	-	-	-	-	-	(1,504,943)	(1,504,943)	-	(1,504,943)
Total transaction with owners of equity	-	-	-	-	-	-	(1,504,943)	(1,504,943)	115,000	(1,389,943)
Balance at 31 December 2023	5,016,477	-	9,837,510	-	(46,277)	2,107,964	21,578,804	38,494,478	42,927	38,537,405

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

Statement of **Changes in Equity** (Parent)
for the year ended 31 December 2024

	Share capital	Share premium	Contingency reserve	Other reserve - Gratuity	FVOCI Reserve	Asset revaluation reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January 2024	5,016,477	-	9,837,510	-	(46,277)	2,107,964	21,779,996	38,695,671
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	29,082,323	29,082,323
Fair value loss on equity instruments at FVOCI	-	-	-		(10,788)	-	-	(10,788)
Changes in valuation of land and building	-	-	-	-	-	681,837	-	681,837
Total comprehensive income for the year	-	-	-	-	(10,788)	681,837	29,082,323	29,753,372
Transfer to contingency reserve	-	-	5,816,465	-	-	-	(5,816,465)	-
Transaction with owners recorded directly in equity:								
Dividend declared during the year	-	-	-	-	-	-	(3,009,887)	(3,009,887)
Total transaction with owners of equity	-	-	-	-	-	-	(3,009,887)	(3,009,887)
Balance at 31 December 2024	5,016,477	-	15,653,975	-	(57,065)	2,789,801	42,035,968	65,439,156
Balance at 1 January 2023	5,016,477	-	7,186,595	58,581	(67,765)	2,107,964	12,681,279	26,983,131
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	13,254,576	13,254,576
Fair value loss on FVOCI	-	-	-	-	21,488	-	-	21,488
Reclassification of other actuarial gain	-	-	-	(47,118)	-	-	-	(47,118)
Changes in valuation of gratuity	-	-	-	(11,463)	-	-	-	(11,463)
Total comprehensive income for the year	-	-	-	(58,581)	21,488	-	13,254,576	13,217,483
Transfer to contingency reserve	-	-	2,650,915	-	-	-	(2,650,915)	-
Transaction with owners recorded directly in equity:								
Dividend declared during the year	-	-	-	-	-	-	(1,504,943)	(1,504,943)
Total transaction with owners of equity	-	-	-	-	-	-	(1,504,943)	(1,504,943)
Balance at 31 December 2023	5,016,477	-	9,837,510	-	(46,277)	2,107,964	21,779,996	38,695,671

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

Statement Of **Cash Flows**

For The Year Ended 31 December 2024

		Group		Parent	
		2024	2023	2024	2023
	Notes	N'000	N'000	N'000	N'000
Cash flows from Operating Activities:					
Premium received	5	109,171,133	62,936,563	107,837,898	62,730,685
Premium Deposits	16	718,236	726,865	666,240	653,385
Reinsurance Premium Paid	29.2(a)	(33,527,246)	(18,967,955)	(33,527,246)	(18,967,955)
Direct Claims Paid	31	(24,993,086)	(15,662,252)	(24,241,254)	(15,569,519)
Claims Received from Reinsurers	15.1	9,099,617	6,385,511	9,099,617	6,385,511
Cash Received from Salvages	31(c)	991,196	1,288,567	991,196	1,288,567
Acquisition expense Paid	32.2(a)	(18,587,604)	(10,370,935)	(18,460,168)	(10,354,280)
Maintenance Expenses Paid	32.2(c)	(14,517,142)	(10,110,727)	(14,517,142)	(10,110,727)
Cash paid to and on behalf of Employees	36(a)	(4,069,355)	(2,351,227)	(3,690,148)	(2,140,888)
Other Operating Expenses paid		(1,957,173)	(2,091,341)	(1,827,453)	(1,962,323)
Increase in customer's deposits	17(f)	797,256	-	-	-
Company Income Tax Paid	19(c)	(428,018)	(345,842)	(428,018)	(345,449)
Net cash inflow from operating activities		**22,697,815**	**11,437,228**	**21,903,523**	**11,607,009**
Cash flows from Investing Activities:					
Acquisition of equities measured at FVTPL	4.1	(560,437)	(381,701)	(560,437)	(381,701)
Purchase of Bond	4.3(a)	(3,810,035)	(4,989,532)	(3,810,035)	(4,989,532)
Purchase of placements	4.3(d)	(46,288,481)	(16,669,082)	(46,288,481)	(16,669,082)
Purchase of Treasury bills	4.3(e)	(8,195,544)	(533,063)	(8,195,544)	(533,063)
Purchase of Commercial papers	4.3(f)	(4,071,002)	(7,162,790)	(4,071,002)	(7,162,790)
Proceed from Redemption of Bond Instruments	4.3(a)	1,168,451	608,231	1,168,451	608,231
Proceed from disposal of placements	4.3(d)	38,396,849	10,095,885	38,396,849	10,095,885
Proceed from disposal of treasury bills	4.3(e)	648,000	360,000	648,000	360,000
Proceed from disposal of commercial papers	4.3(f)	4,180,981	2,576,368	4,180,981	2,576,368
Deposit for shares in Alpha Morgan	8(g)	(650,000)	(1,500,000)	(650,000)	(1,500,000)
Investment Income received	33	6,648,682	2,827,540	6,580,291	2,826,483
Rental & other Income received		245,928	71,408	81,013	46,983
Acquisition of Intangible assets	13	(34,882)	(51,750)	(8,423)	(37,962)
Acquisition of Investment properties	11	-	(13,400)	-	(13,400)
Net cashflow on staff loan	8(c)	4,047	(38,305)	4,047	(38,305)
Investment in Nem Health	8(e)	-	-	(160,000)	(260,119)
Acquisition of PPE	14	(422,975)	(465,894)	(350,300)	(308,476)
Proceeds from disposal on PPE	37	15,611	14,819	15,611	14,819
Net cash outflow from investing activities		**(12,724,808)**	**(15,251,265)**	**(13,018,979)**	**(15,365,661)**
Cash flows from financing activities					
Lease payment during the year	17.2	(490,882)	(444,229)	(496,908)	(444,229)
Borrowings	28	-	1,500,000	-	1,500,000
Loan payment on Alpha Morgan loan	28	(1,557,737)	(170,833)	(1,557,737)	(170,833)
Cash received from non-controlling interest	9	-	115,000	-	-
Dividends paid to equity holders of the parent	17.1(c)	(2,802,439)	(1,378,919)	(2,802,439)	(1,378,919)
Net cash outflow from financing activities		**(4,851,058)**	**(378,981)**	**(4,857,084)**	**(493,980)**
Net increase/(decrease) in cash and cash equivalents		5,121,948	(4,193,019)	4,027,459	(4,252,633)
Cash and cash equivalents at 1 January		8,002,994	8,878,011	7,907,551	8,842,182
Effect of foreign exchange gain on cash & cash equivalent	35.2	1,097,748	3,343,719	1,079,627	3,343,719
Expected credit loss provision	3(c)	(243,792)	(25,718)	(242,981)	(25,718)
Cash and cash equivalents at 31 December		**13,978,898**	**8,002,994**	**12,771,656**	**7,907,551**
Represented by:					
Cash and cash equivalents at 31 December	3	**13,978,898**	**8,002,993**	**12,771,656**	**7,907,551**

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

Notes To The Consolidated And Separate Financial Statements

1.0 General Information

(a) NEM Insurance Plc (''the Company") is a public limited liability company domiciled in Nigeria. The Company's registered and corporate office is 199, Ikorodu Road, Obanikoro, Lagos.

In 2016, the Company opened a subsidiary NEM Asset Management Company Limited. The company also established another subsidiary, Nem Health Limited which commenced business in 2023.

(b) **Principal activity**
The Group is principally engaged in the business of General Insurance activities . Such services include provision of non-life insurance services which ranges from motor, fire, marine & aviation, general accident, oil and gas, engineering, bond and agriculture businesses for both corporate and individual customers. NEM Asset Management Company Limited, a wholly owned subsidiary was created to engage in investment business of all kinds including vehicle Leasing, machinery acquisition, hire purchase of diverse assets etc. for both individual & corporate organizations. NEM Health Limited was established by the group to provide all forms of health insurance services to both individuals and corporate clients.

1.1 Going Concern

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

1.2 Basis of Preparation and Compliance with IFRS

The Group's financial statements for the year 2024 have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), Companies and Allied Matters Act, 2020, Insurance Act CAP I17, LFN 2003 and Prudential Guidelines issued by National insurance Commission and Investment and Securities Act 2007.

1.2.1 Foreign currency translation

(a) **Functional and Presentation Currency**
The financial statements are presented in Nigerian currency (Naira) which is the Group's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand (₦ '000)

1.2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss;
- Financial assets classified as FVOCI which are measured at fair value through other comprehensive income;
- Land and building (included in property and equipment) which are measured at fair value through other comprehensive income;
- Financial assets which are measured at amortized costs; and
- Investment properties which are measured at fair value.
- In accordance with IFRS 17 Insurance contracts, the Group has applied existing accounting policies for its Non-life Insurance contracts, modified as appropriate to comply with the IFRS framework.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

1.3 Critical Accounting Estimates, Judgments and Assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial positions and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 1.5.

1.4 Judgments, Estimates and Assumptions

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that year or if the revision affects both current and future years.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognized in the financial statements are described below:

1.4.1 Income Taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions.

1.4.2 Retirement Benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of gratuity obligations. The assumptions used in determining the net cost (income) for gratuity include the discount rate, rate of return on assets, future salary increments and mortality rates.

The Group determines the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the gratuity obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability. Other key assumptions for gratuity obligations are based in part on current market conditions.

In most cases, no explicit assumptions are made regarding the future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortization of unearned premium on a basis other than time apportionment.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

1.4.3 Fair Valuation of Investment Properties

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is determined by reference to observable market prices. The fair value of investment property does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers. Assumptions are made about expected future cash flows and the discounting rates.

1.4.4 Liability for remaining coverage (LRC) and Liability for Incurred claims (LIC)

The measurement of group's liability resulting from the insurance contracts that it issues requires a significant use of estimates and judgements. The group estimates the liability for future insurance contract obligations, taking into account the expected cash flows for fulfilling these contracts. This involves making assumptions about future claim payments, premium income, and discount rates. See note 2.34 for how the group recognises and measures this liabilities.

1.4.5 Reinsurance contracts

The group assesses the impact of the reinsurance contracts that it hold on its financial statements, including estimating the expected recoveries from reinsurers. This involves evaluating the terms of reinsurance agreements, the creditworthiness of reinsurers, and the effect on the measurement of re-insurance contract assets and liabilities. See note 2.41 for how the group recognises and measures reinsurance contracts.

1.4.6 Fulfilment Cash Flows

In estimating its liabilities and assets as it relates to insurance and reinsurance contracts, the group makes significant assumptions relating to the future cash flows that will arise from fulfilling insurance contracts, considering variables such as claims experience, lapses, and policyholder behaviour. These estimates require judgment and are influenced by historical data and actuarial projections. See note 2.38 for how the group determines and measures cashflows relating to insurance and reinsurance contracts.

The group incorporates, 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 experience, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, using market variables consistent with observable market prices, where applicable.

1.4.7 Risk adjustment

In the measurement of risk adjustment, the group makes use of significant judgements including estimations, actuarial projections and historical data in determining a reasonable compensation for bearing non-financial risks as it relates to insurance contracts that its issues. It also employs similar assumptions and methodologies in estimating the expected reinsurance portion or recoverable as it relates to risk adjustment. See note 2.40 for the company's policy regarding the determination and measurement of risk adjustment.

1.4.8 Discount rates

The determination of appropriate discount rates to value future cash flows is critical in the application of IFRS 17. The group considers factors such as the time value of money, credit risks and illiquidity premiums in selecting its discount rates. Significant judgement is used by the group to ensure that the selected rates reflects the characteristics of the cashflows and the risks associated with insurance contracts. See note 2.39 for the Group's policy regarding discount rates used in assessing insurance and reinsurance contracts.

Notes To The Consolidated And Separate Financial Statements Cont'd

1.5 Changes in material accounting policies

1.5.1 Material accounting policy information

These policies have been consistently applied by the Group to all years presented unless otherwise stated. Other accounting policies are presented as part of the respective note disclosures

The Group and Company does not have changes in material accounting policies in the current annual reporting period

1.5.2 New standards, interpretations and amendments effective from 1 January 2024

There are new or revised IFRS Accounting Standards and Interpretations in issue that are effective as at 1 January 2024. The directors have considered all of these IFRS Accounting Standards and Interpretations and found none to materially impact the Group's accounting policy and therefore do not expect any impact on the financial statements.

1.5.3 New standards, amendments and interpretations issued but not yet effective

There are new or revised IFRS Accounting Standards and Interpretations in issue that are not yet effective. The directors have considered all of these IFRS Accounting Standards and Interpretations and found none to be applicable to the business of the entity and therefore do not expect any impact on future financial statements.

Notes To The Consolidated And Separate Financial Statements Cont'd

2 MATERIAL ACCOUNTING POLICIES

Material accounting policies are defined as those that are reflective of significant judgements and uncertainties and potentially give rise to different results under different assumptions and conditions.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

2.1 CONSOLIDATION

(i) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. In determining whether an acquired set of activities and assets is a business, the Group assesses whether the acquired set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as they are incurred, unless they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Subsidiaries

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

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

Inter- company transactions, balances and unrealized gains on transactions between Companies within the Group are eliminated on consolidation. Unrealized losses are also eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment. Accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in the subsidiary in the separate financial statements of the Company entity is measured at cost.

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

(iii) Disposal of subsidiaries

On loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity, accounted investment or as a financial asset under the Amortized Cost or Fair Value Through Other Comprehensive Income category depending on business model intended and the level of influence retained.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(iv) Non-controlling interests (NCI)

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

(v) Special purpose entities

Special purpose entities that are created to accomplish a narrow and well- defined objective such as the securitization of particular assets, or the execution of specific borrowings or lending transactions or the provision of certain benefits to employee.

The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

(vi) Associates

In the financial statements, the Company's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associate.

The share of profit of the associate is shown on the face of the income statement. This is profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associates.

2.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Due to their short-term nature, the carrying value of cash and cash equivalents approximates their fair value, hence they are carried at fair value in the statement of financial position.

2.3 FINANCIAL INSTRUMENTS

2.3.1 Recognition

The Group on the date of origination or purchase recognizes placements, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets shall be recognized on the settlement date. All other financial assets and liabilities, including derivatives, shall be initially recognized on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

2.3.2 Classification and Measurement

Initial measurement of a financial asset or liability shall be at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs shall be recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills, commercial papers, bonds, and equity instruments.

The Group classifies its financial assets into the following categories in line with the provisions of IFRS 9:

(a) Fair Value Through Profit or Loss (FVTPL)
(b) Amortized Cost
(c) Fair Value Through Other Comprehensive Income (FVOCI)

The Group shall classify its financial assets based on the business model for managing the assets and the asset's contractual cash flows characteristics.

Business Model Assessment

Business model assessment shall involve determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group shall assess business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Group will take into consideration the following factors:

Notes To The Consolidated And Separate Financial Statements Cont'd

The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that shall be funding those assets or realizing cash flows through the sale of the assets;

(i) How the performance of assets in a portfolio will be evaluated and reported to the relevant heads of departments and other key decision makers within the Group's business lines;
(ii) The risks that affect the performance of assets held within a business model and how those risks shall be managed;
(iii) How compensation shall be determined for the Group's business lines, management that manages the assets; and
(iv) The frequency and volume of sales in prior periods and expectations about future sales activity.

Management shall determine the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:
I) Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows
II) Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
III) Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These shall be basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions shall be met:
(i) Where these sales shall be infrequent even if significant in value. A Sale of financial assets shall be considered infrequent if the sale shall be one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
(ii) Where these sales shall be insignificant in value both individually and in aggregate, even if frequent. A sale shall be considered insignificant if the portion of the financial assets sold shall be equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
(iii) When these sales shall be made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial asset has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
1. Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
2. Selling the financial asset to manage credit concentration risk (infrequent)
3. Selling the financial asset as a result of changes in tax laws (infrequent).
4. Other situations also depend upon the facts and circumstances which need to be judged by the Management

Cash flows Characteristics Assessment

The Group shall assess the contractual features of an instrument to determine if they give rise to cash that shall be consistent with a basic investment arrangement.
Contractual cash flows shall be consistent with a basic deposit arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal shall be defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest shall be defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

A. Classification of Financial Assets

a) Financial assets measured at amortized cost

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

Financial assets measured at amortized cost shall be presented net of the allowance for credit losses (ACL) in the statement of financial position.

b) Financial assets measured at FVOCI

Financial assets shall be measured at FVOCI if they are to be held within a business model whose objective shall be to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that shall be solely payments of principal and interest.

Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI shall be recorded in Other Comprehensive Income (OCI).

c) Financial assets measured at FVTPL

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that shall be solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments shall be measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of profit or loss and other comprehensive Income.

d) Equity Investments

Equity instruments shall be measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value shall be recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The Group can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election shall be made upon initial recognition, on an instrument-by-instrument basis and once made shall be irrevocable. Gains and losses on these instruments including when derecognized/sold shall be recorded in OCI and shall not be subsequently reclassified to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Dividends received shall be recorded in Interest income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any transaction costs incurred upon purchase of the security shall be added to the cost basis of the security and shall not be reclassified to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on sale of the security.

B. Classification of Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories:

a) Fair Value through Profit or Loss (FVTPL)

b) Amortized cost

(a) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories:

Financial liabilities held for trading and Financial liabilities designated at fair value through profit or loss on inception

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the Consolidated Statement of profit or loss and other comprehensive Income, except for changes in fair value arising from changes in the Group's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the Group's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Profit or Loss and Other Comprehensive Income upon derecognition/extinguishment of the liabilities.

(b) Financial Liabilities at amortized cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortized cost using the effective interest rate method. Financial liabilities measured at amortized cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

C. Reclassifications

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example: an acquisition of a private asset management company that might necessitate transfer and sale of assets to willing buyers, this action will constitute changes in business model and subsequent reclassification of the assets held from BM1 to BM2 Category.

Any other reason that might warrant a change in the Group's business model are determined by management based on facts and circumstances.

The following shall not be considered to be changes in the business model:

(a) A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)

(b) A temporary disappearance of a particular market for financial assets.

(c) A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group shall reclassify all affected financial assets in accordance with the new business model. Reclassification shall be applied prospectively from the 'reclassification date'. Reclassification date shall be 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 30 April 2020, the reclassification date will be 1 January, 2021 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 30 April, 2020. Gains, losses or interest previously recognized shall not be restated when reclassification occurs.

2.3.3 IMPAIRMENT OF FINANCIAL ASSETS

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

1. Amortized cost financial assets; and
2. Debt securities classified as at FVOCI.

Equity instruments and financial assets measured at FVTPL shall not be subjected to impairment as it is not required under the standard.

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations shall be outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group shall adopt a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

Notes To The Consolidated And Separate Financial Statements Cont'd

Stage 1 – Where there has not been a Significant Increase in Credit Risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss shall be recorded. The expected credit loss shall be computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity shall be used.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it shall be included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default shall be included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model shall be to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance shall be based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. Examples of financial assets with low credit risk (no significant increase in credit risk) include: Risk free and gilt edged debt investment securities that shall be determined to have low credit risk at the reporting date; and Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses shall be modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

PD – The probability of default shall be an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the asset has not been previously derecognized and are still in the portfolio.

12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This shall be used to calculate 12-month ECLs.

Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This shall be used to calculate lifetime ECLs for "stage 2" and stage 3 exposures. PDs shall be limited to the maximum exposure required by IFRS 9

EAD – The exposure at default shall be an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD – The loss given default shall be an estimate of the loss arising in the case where a default occurs at a given time. It shall be based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It shall be usually expressed as a percentage of the EAD.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

The Group shall rely on a broad range of forward looking information as economic inputs, such as GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays shall be made as temporary adjustments using expert credit judgement.

Notes To The Consolidated And Separate Financial Statements Cont'd

The Group shall determine allowance for credit losses using three probability-weighted forward looking scenarios. The Group shall consider both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Nigeria Insurers Association, Financial Markets Dealers Quotation (FMDQ), and Trading Economics.
The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn shall be used in the estimation of the multiple scenario ECLs. The 'normal case' represents the most likely outcome and shall be aligned with information used by the company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Group shall assess whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors shall be a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Group shall adopt a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop shall be used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for Default shall be transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group shall assess whether financial assets are credit impaired. A financial asset shall be credit impaired when one or more of the following events have a detrimental impact on the estimated future cash flows of the financial asset:

- Significant financial difficulty of the Issuer;
- A breach of contract such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for a security because of financial difficulties

A debt that has been renegotiated due to a deterioration in the issuer's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there shall be no other indicators of impairment. In making an assessment of whether an investment in sovereign debts is credit-impaired, the Group shall consider the following factors:

1. The market's assessment of credit worthiness as reflected in the bond yields
2. The rating agencies' assessments of credit worthiness
3. The country's ability to access the capital markets for new debt issuance
4. The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness
5. The international support mechanisms in place to provide the necessary support as lender of last resort to that country as well as the intention, reflected in public statements of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and irrespective of the political intent, whether there is the capacity to fulfil the required Criteria.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL shall be presented in the statement of financial position as follows:

• Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets

• Financial assets measured at FVOCI: loss allowance shall be recognized in the statement of financial position because the carrying amount of these assets shall be their fair value. However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there shall be no realistic prospect of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

• Continued contact with the customer is impossible;

• Recovery cost is expected to be higher than the outstanding debt;

• Amount obtained from realization of credit collateral security leaves a balance of the debt; or

• It is reasonably determined that no further recovery on the facility is possible.

2.4 PREMIUM RECEIVABLES

Premium receivables (2023; Trade receivables) relates to premium due from brokers. Premium receivables are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect all the amount due based on the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previous recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversed date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

2.5 PREMIUM PAYABLES

Premium payables (2023; Trade payables) relates to outstanding balances to the Group's reinsurance brokers. These amounts are initially recognized at recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

2.6 OTHER RECEIVABLES AND PREPAYMENTS

2.6.1 Other receivables

Other receivables are made up of amounts due from parties which are not directly linked to insurance or investment contracts. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit or loss to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit or loss.

2.6.2 Prepayments

Prepayments are carried at cost less amortization and accumulated impairment losses.

2.7 INVESTMENT PROPERTIES

Properties that are held for long-term rental yields or for capital appreciation or both and that are insignificantly occupied by the entities in the group are classified as investment properties. These properties consist of land and buildings.

Notes To The Consolidated And Separate Financial Statements Cont'd

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 cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the date of the consolidated statement of financial position.

Gains or losses arising from the changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred. The fair value of investment property is based on the nature, location and condition of the specific asset.

Rent receivable is recognized in profit or loss and is spread on a straight-line basis over the period of the lease. Where lease incentive, such as a rent free period is given to a Lessee, the carrying value of the related investment property excludes any amount reported as a separate asset as a result of recognizing rental income on this basis.

2.8 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2003. Statutory deposit is measured at cost.

2.9 INTANGIBLE ASSETS

(i) Software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalized.

The capitalized costs of internally developed software include all costs attributable to developing the software and capitalized borrowing costs and are amortized over its useful life. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is five years. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the Company acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses in goodwill are not reversed.

Notes To The Consolidated And Separate Financial Statements Cont'd

2.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and equipment are initially recorded at cost. Land is subsequently carried at revalued amount being the fair value at the date of revaluation, while buildings are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The Group revalues its land and building every three years in line with relevant provisions of International Accounting Standard (IAS) 16.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Any increase in an asset's carrying amount, as a result of revaluation is credited to other comprehensive income and accumulated in Revaluation Surplus within Revaluation reserves in equity. The increase is recognized in profit or loss to the extent that it reverses a decrease of the same asset previously recognized in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognized in Profit or Loss and is provided on a straight-line basis over the estimated useful life of the assets. Depreciation methods, estimated useful lives and residual values are reviewed annually and adjusted when necessary. No depreciation is charged on property, plant and equipment until they are available for use. The company recognizes full depreciation on the year of purchase and zero depreciation on the year of disposal. The average useful lives per class of asset are as follows:

Assets class		Average useful life
Land	-	Nil
Building under Construction	-	Nil
Buildings	-	2%
Machinery and equipment	-	20%
Motor vehicles	-	20%
Furniture and fittings	-	20%
Computer equipment	-	20%

(iv) De-recognition

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

2.11 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets unless the title to the asset transfers at the end of the lease term.

Notes To The Consolidated And Separate Financial Statements Cont'd

(ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The company separates the lease components from the non-lease components before arriving at the lease liability. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.12 OTHER PAYABLES

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

2.13 RETIREMENT OBLIGATIONS AND EMPLOYEE BENEFITS

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

(i) Defined benefit gratuity scheme

The Group has a defined benefit gratuity scheme for management and non-management staff. Under this scheme, a specified amount as determined by actuarial valuation is contributed by the Group and charged to the income statement over the service life of each employee.

Employees are entitled to gratuity after completing a minimum of five continuous full years of service. The gratuity obligation is calculated annually by Independent Actuaries using the projected unit credit method. The present value of the gratuity obligation is determined by discounting the estimated future cash outflows using market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate is based on market yields on Government bonds). The liability recognized in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the date of the statement of the financial position less the fair value of plan assets. Actuarial gains or losses arising from the valuation are credited or charged to Other Comprehensive Income (OCI) in the financial year in which they arise.

(ii) Defined contribution pension scheme

In line with the provisions of the Nigerian Pension Reform Act, 2014, the Group has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Group at the rate of 8% by employees and 10% by the Group of basic salary, transport and housing allowances invested outside the Group through Pension Fund Administrators (PFAs) of the employee's choice. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due.

(iii) Short-term benefits

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

2.14 INCOME TAX

Income tax expense comprises current and deferred tax

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(i) Current income tax

Income tax payable comprises of company income tax (at 30% of net income), education tax (at 3% of assessable profit), information technology levy (at 1% of profit before tax), and police trust fund levy (at 0.005% of the net profit) . It is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognized as an expense for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity.

(ii) Deferred income tax

Deferred income tax is provided using liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and in relation to acquisitions on the difference between the fair values of the net assets acquired and their tax base.

However, deferred income tax is not recognized for:

(a) Temporary differences arising on the initial recognition of goodwill

(b) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

(c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized when it is probable that future taxable profit will be available against which these temporary differences can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.15 SHARE CAPITAL AND PREMIUM

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Share premium accounts for the amount the Group raises in excess of par value.

2.16 CONTINGENCY RESERVE

Contingency reserve is credited at the higher of 3% of total premiums during the year and 20% of net profit per year, until it reaches the higher of the minimum paid up capital or 50% of net premium in accordance with Section 21 (2) of the Insurance Act CAP I17, LFN 2003.

2.17 ASSET REVALUATION RESERVE

When the Group's land and building are revalued by independent professional valuer, surpluses arising on the revaluation of these assets are credited to the asset revaluation reserve account. When assets previously revalued are disposed off, any revaluation surplus relating to the disposed assets is transferred to retained earnings.

2.18 RETAINED EARNINGS

This represents the accumulated profits of the company which are available for dividend distribution to the equity shareholders of the Group.

2.19 FVOCI RESERVE

FVOCI reserve comprises the cumulative net change in the fair value of the Group's investments categorized as Fair Value Through Other Comprehensive Income (FVTOCI). Net fair value movements are recycled to income statement if an investment categorized as Amortized Cost is either derecognized or impaired.

2.20 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 assets/liability on employee benefit obligation, are recognized in other comprehensive income.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

2.21 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-ends exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Foreign exchange gains and losses relating to financial assets are presented in the income statement within 'Net foreign exchange gain'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income' or ' Other operating expenses'.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency are treated as monetary items.

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 is 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.

2.22 INVESTMENT INCOME

(a) Dividend income

Dividend income from equities is recognized when the right to receive payment is established, this is the ex-dividend date for equity securities.

(b) Interest income and expense

Interest income on financial assets that are classified as amortized cost and interest expense on financial liabilities other than those at FVTPL are determined using the effective Interest rate method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision). Interest income on assets classified as amortized cost are recognized in investment income.

2.23 MANAGEMENT EXPENSES

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

2.24 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it can earn and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components, whose revenues and operating results are reviewed regularly by Executive Management to make decisions about the resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned while indirect costs are allocated based on the benefits derived from such costs.

2.25 CONTINGENT LIABILITIES

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

2.26 OTHER TECHNICAL LIABILITIES

Other technical liabilities (2023; Other Insurance contract liabilities) refers to financial obligations arising from the group's insurance business that are basically outside the scope of the definition of insurance contracts. The group consistently evaluates these liabilities and measures them at fair value at each reporting date.

Notes To The Consolidated And Separate Financial Statements Cont'd

IFRS 17-INSURANCE CONTRACTS ACCOUNTING POLICIES

2.27 Key types of insurance contracts issued, and reinsurance contracts held.

Non-Life Business - The Group issues non-life insurance to individuals and commercial businesses. Non-life insurance products offered include Motor, Property, Marine & Aviation, Bond, Engineering, Oil and Gas, fire, Agriculture and General Accident. These products offer financial protection to policyholder's assets and indemnification of other parties against financial loss prompted by the action of the policyholder.

The Group accounts for these contracts applying the principles underlying International Financial Reporting Standard (IFRS17) Insurance Contracts and other relevant accounting standards issued by the International Accounting Standards Board(IASB). The Group also holds appropriate types of reinsurance contracts to mitigate risk exposure, including: proportional and non-proportional facultative arrangements.

2.28 Definition and Classification of Insurance contracts

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder's finances.

The Group's accounting and financial assessment are made on a cohort basis and on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group does not issue any pure life insurance contracts or any life insurance contracts with direct participating features or any contract of insurance with investment component. The Group issues only non-life(General Business) insurance to individuals and commercial businesses.

2.29 Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another applicable IFRS rather than IFRS 17 (distinct non- insurance components). After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract on a cohort basis right from initial recognition and subsequent recognition until expiration of insurance service on the contract.

Currently, the Group's products do not include distinct non insurance components such as investment components, goods and services, embedded derivatives that require separation.

2.30 Level of aggregation

Under IFRS 17 the Group determines a granular grouping of individual contracts for the purpose of measuring insurance contract liability and in the recognition of profitability. The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. The Group's insurance contracts portfolios are disaggregated into annual cohorts or cohorts of periods that are not more than one year apart. Limiting groups to contracts issued within one year or less apart improves the transparency of profitability to be reported in the Group's set of financial statements.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

Notes To The Consolidated And Separate Financial Statements Cont'd

For short term contracts accounted for applying the Premium Allocation Approach (PAA), the Group determines that its contracts are not onerous upon initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

- Significant changes in external conditions including economic or regulatory changes.
- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows

All the Group's short-term contracts currently held have been assessed as having no possibility of becoming onerous (except for the motor portfolio that was onerous in 2023). In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

2.31 Reinsurance contracts held

Reinsurance contracts held(loss-occurring reinsurance contracts) are for one year or less. For Risk-attaching reinsurance contracts, the Group reasonably expects that the resulting measurement of the assets for remaining coverage would not differ materially from the result of applying the accounting policies that are the same as the underlying the measurement model for the insurance contracts they protect. Reinsurance contracts are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different components.

2.32 Recognition of Insurance contracts

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

As the Group adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the groups of insurance contracts into annual cohorts. The contract groupings shall not be reassessed until they are derecognized.

2.33 Contract Boundaries

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or;

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognized. Such amounts relate to future insurance contracts.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

2.34 Measurement of insurance contracts issued.

(a) Initial Measurement-Premium Allocation Approach (PAA)

At initial recognition, the Group measures the carrying amount of the liability for remaining coverage (LRC) as the premiums received on initial recognition minus any insurance acquisition cashflows allocated to the group of contracts at that date, and adjusted for any amount arising from derecognition of any assets or liabilities previously recognized for cash flows related to the group(including assets for insurance acquisition cashflows). The Group has not chosen to expense insurance acquisition cashflows when they are incurred. Subsequently , the carrying amount of the LRC is increased by any premiums received and the amortization of insurance acquisition cashflows recognized as expenses and decreased by amount recognized as insurance revenue for services provided and any additional insurance acquisition cashflows allocated after initial recognition. On initial recognition the Group expects that the time between providing part of the services and the related premium due date is not more than a year.

(b) Subsequent Measurement-Premium Allocation Approach (PAA)

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

(i) Liability for Remaining Coverage

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for its non-life policies with a coverage period of one year or less.

The Group measures the liability for remaining coverage at each subsequent reporting date as follows: Sum of:
(a) Previous carrying amount,
(b) Premium received in the period
(c) Amortization of insurance acquisition cashflows
Less:
(d) Capitalized insurance acquisition cashflows
(e) insurance revenue recognized and
(f) investment paid or transferred to the liability for incurred claims

(ii) Liability for Incurred claims (LIC)

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

For those claims that the Group expects to be paid within one year or less from the date of occurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

2.35 Discount Rate

In line with IFRS17(59) (B), IAS8(36) the Group adjusts the measurement of the liability for incurred claims(LIC) for the impact of the time value of money and other financial risk of the claims not settled within 12 months, time value of money is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period and the Group has elected an accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

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For all insurance contracts the Group agrees to adopt the Premium allocation approach in which determined interest rate (locked in rate) is used to calculate the present value of future cashflows at the date of initial recognition of the group of insurance contracts in line with IFRS17 Para B72b. The locked -in interest rates is used for accreting interest rate accruing on the value of the contracts at initial recognition and loss components changes as a result of changes in Fulfilment Cashflow(FCF) that relate to future years service .

To derive the current discount rates which are judged to be used for the contracts cashflows, the Group uses discount rates starting from a risk-free rate of assets(high quality bonds) with similar characteristics as the underlining liability cashflows plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds.

Average fixed locked-in rate is used for the group of insurance contracts issued over the 12 months cohort period, where the average fixed locked in rate is taken to be the simple arithmetic mean or geometric mean. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates. The Group shall adopt the Nigeria Actuarial Society committee discount rates as published on its website or on the NAICOM website whenever available.

2.36 Risk adjustment(RA) for non-financial risk

The risk adjustment measures the compensation the Group would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than those relating to financial risk. The Group chooses a technique which aligns with the principles of risk adjustment and disclose significant judgement which has been made in determining the risk adjustment and the equivalent confidence level utilized. The group has service level agreements that enhances prompt claim settlement except when circumstances warranted such delay. Amount recoverable from risk adjustment is recognized in the financial statement.

For the purposes of the financials, a bootstrap approach was adopted in determining the risk adjustment margin. A confidence level of the 75th percentile was adopted to be 8.3% (2023: 7.94%).

2.37 PAA Eligibility Calculation and Materiality

The Group determine that its businesses satisfies the criteria for adopting the use of the simplified measurement model(PAA) as follows:

(a) That such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from that produced applying the General Model; or

(b) That the coverage period of each contract in the group is one year or less.

In determining the level of materiality, the Group has taken a view that if the total volume of premiums in a cohort of contracts with coverage period of more than one year is less than 10%, then this would be deemed as immaterial to the justification of using the implied measurement model PAA- statistically insignificant in line with paragraph 5.2.2 of Guidance note on IFRS17 issued by NAICOM .

The Group has opted to test the PAA eligibility for the entire group (population) of contracts instead of just a sample within the population of insurance contracts, using a quantitative assessment approach involving application of simplified mathematical approach.

During the year, the group identified contracts whoose coverage period exceeded one year and proceeded to test them using the General measurement model and the results are summarised in the table below:

Policy class	Premium (exceeding 1 year)	Liability for Remaining coverage		Liability for Incurred Claims		Insurace Contract Liability	
		GMM	PAA	GMM	PAA	GMM	PAA
Motor	-	-	-	-	-	-	-
Marine	315,185	202,134	196,690	87,953	86,887	290,087	283,577
Fire	101,737	61,021	58,021	27,861	27,880	88,882	85,901
General accident	123,086	53,449	51,340	42,344	42,172	95,793	93,512
Oil & gas	-	-	-	-	-	-	-
Agriculture	31,923	19,054	18,827	3,800	3,800	22,854	22,627
Engineering	479,442	237,053	226,972	125,615	123,873	362,668	350,845
Bond	-	-	-	-	-	-	-
Total	**1,051,373**	**572,711**	**551,850**	**287,573**	**284,612**	**860,284**	**836,462**

The results as postulated above shows that the results of the PAA approach closely approximates that of the GMM as the variances under the two models for all policy classes is less than 4% which is less than the 10% materiality threshold stipulated by NAICOM.

Furthermore, based on quantitative assessment carried out by the group, the portion that is above one year based on volume of premium is 0.97% (2023; 0.63%), while the portion above 365 days based on policy count is 0.73% (2023; 0.46%), and the group considers these to be immaterial as to significantly impact the result of the premium allocation approach.

Following from the foregoing, the Group has applied the Premium allocation approach to all the insurance contracts which it issues during the course of the financial year.

Notes To The Consolidated And Separate Financial Statements Cont'd

2.38 Insurance acquisition cash flows

The Group chooses to amortize acquisition cashflows over the contracts' coverage period, provided that the coverage period of each contract in the group at initial recognition is no more than one year. The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the Group did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Group did not identify any facts and circumstances indicating that the assets may be impaired.

2.39 Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variable.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)

- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

2.40 Onerous Contracts

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, then the Group determines the loss component and recognizes the loss immediately. The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, less any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

The Group conducts the onerousity assessment on a portfolio level by assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the motor portfolio which is loss-making (in 2023) may indicate that the LRC will have a different loss experience.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

(a) the carrying amount of the liability for remaining coverage; and

(b) the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

2.41 Measurement of Reinsurance Contracts Held

(a) Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized.

For example, if we enter a surplus fire reinsurance contract on 1 January 2024 and the first fire insurance policy in the treaty is written in February 2024, then the date of recognition of the surplus reinsurance contract will be February 2024. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

(b) Reinsurance contracts held measured under the PAA.

The Group applies the same accounting policies to measure its group of reinsurance contracts ,adapted where necessary to reflect features that differ from those of insurance contracts. Reinsurance contracts held are generally assets, rather than liabilities. They are separate from underlying insurance contracts; however, they correspond with them. To ensure that the impact of reinsurance is smoothened out over the period of the underlying contracts, the Group has a policy to recognizing reinsurance contract held over the coverage period as each underlying contract is recognized. If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of asset for remaining coverage. All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the Group's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

The Group incurs incremental administrative costs that are insurance services expenses, namely cashflows that relate directly to the fulfilment of the underlying insurance contracts issued and are to be included in the measurement of the reinsurance contracts assets. The Group treats the actual incurred cost as insurance service expense. Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

(c) Methods of Presenting Reinsurance Premiums and Recoveries from Reinsurance Contracts Held

For reinsurance contracts held, the group has an accounting policy of presenting income or expenses from reinsurance contracts held (other than insurance finance income or expenses) as separate amounts: the amounts recovered from the reinsurer and allocation of the premiums paid. Both the recovered amount and the allocated premiums paid together should give a net amount equal to the equivalent single amount option. The allocation of premium paid is not used as a reduction to premium revenue for the reinsurance contracts held.

(d) Accounting for Fixed Commissions by the Reinsurer

The Group treats ceding commission that are not contingent on claims as a reduction in premiums. Reinsurance Contracts may include fixed ceding commission payable to the Group.

2.42 Modification and Derecognition

The Group derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

If the modified terms were included at contract inception and the Group would have concluded that the modified contract:

- Is outside of the scope of IFRS 17
- Results in a different insurance contract due to separating components from the host contract
- Results in a substantially different contract boundary
- Would be included in a different group of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

Notes To The Consolidated And Separate Financial Statements Cont'd

If the contract modification meets any of the conditions, the company performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for using the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Group derecognizes an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.

When the Group derecognizes an insurance contract from within a group of contracts, it:

- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one.

2.43 Presentation

The Group has presented separately in the Group's statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub- total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related portfolios of insurance contracts issued.

2.44 Insurance Revenue

When applying the PAA, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2.45 Insurance Service Expenses

Insurance service expenses arising from insurance contracts issued are recognized in the profit or loss generally as they are incurred. The company's insurance expenses comprises:

- Incurred claims and other insurance service expenses Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.(if any)
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period. This includes technical salaries and wages and 30% of other administrative and overhead expenses.
- Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.
- Loss component of onerous groups of contracts initially recognized in the period.

2.46 Net expenses from reinsurance contracts held.

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers.
- An allocation of the premiums paid.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component is then adjusted to reflect:

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

2.47 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

2.48 The presentation for insurance finance income and expenses

The Group has an accounting policy choice to present all the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Group examines the assets held for that portfolio and how they are accounted for.

Currently the Group present all the period's insurance finance income or expenses in the profit or loss. The Group does not write participating contracts and does need to reassess its accounting policy choice in respect of such policies.

Notes To The Consolidated And Separate Financial Statements Cont'd For The Year Ended 31 December 2024

3. Cash and Cash Equivalents

	Group		Parent	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Cash - petty cash	2,728	5,631	2,727	2,319
Balances with Local banks	4,334,062	1,780,518	3,945,540	1,709,393
Domiciliary accounts with local banks	3,833,900	2,478,959	3,833,900	2,478,959
Domiciliary accounts with Foreign banks	196,293	21,266	196,293	21,266
Placement with banks	4,620,858	2,878,664	3,801,329	2,857,658
Placement with other institutions	1,120,794	803,493	1,120,794	803,493
Interest receivable	114,054	60,181	114,054	60,181
	14,222,691	8,028,711	13,014,637	7,933,269
Allowance for credit losses (Note 3(c))	(243,792)	(25,718)	(242,981)	(25,718)
Total cash and cash equivalents	13,978,899	8,002,993	12,771,656	7,907,551
Current	13,978,899	8,002,993	12,771,656	7,907,551
Non-current	-	-	-	-

Placements are made for varying periods averaging between 1 - 90 days depending on the immediate cash requirements of the Group. All deposits are subject to an average interest rate of 12.3%. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

(a)

Attributable to policyholders	N'000	N'000	N'000	N'000
Balances with Local Banks	4,336,791	1,786,149	3,948,267	1,711,712
Domiciliary Accounts with local banks	3,833,900	2,478,959	3,833,900	2,478,959
Placement with Banks	4,620,858	2,878,664	3,801,329	2,857,658
Placement with other institutions	1,120,794	-	1,120,794	-
Accrued interest	114,054	60,181	114,054	60,181
Allowance for credit losses	(243,792)	(25,718)	(242,981)	(25,718)
	13,782,606	7,178,235	12,575,363	7,082,792

(b)

Attributable to shareholders	N'000	N'000	N'000	N'000
Balances with Foreign banks	196,293	21,266	196,293	21,266
Placement with other institutions	-	803,493	-	803,493
	196,293	824,759	196,293	824,759
Cash and cash equivalents	13,978,899	8,002,993	12,771,656	7,907,551

(c)

Impairment allowance for cash & cash equivalents	N'000	N'000	N'000	N'000
ECL allowance as at 1 January	25,718	6,644	25,718	6,644
Additions during the year (Note 36(c))	218,074	19,074	217,263	19,074
Balance as at the 31 December	243,792	25,718	242,981	25,718

4. Financial Investments

The Company's financial investments are summarised by categories as follows:

	N'000	N'000	N'000	N'000
Fair value through profit or loss (Note 4.1)	11,409,434	10,463,494	11,409,434	10,463,494
Fair value through other comprehensive income (Note 4.2)	64,431	75,219	64,431	75,219
Financial investments at amortised cost (Note 4.3)	68,577,216	36,355,234	68,577,216	36,355,234
	80,051,082	46,893,947	80,051,082	46,893,947
Current	64,431	75,219	64,431	75,219
Non- current	79,986,651	46,818,728	79,986,651	46,818,728
	80,051,082	46,893,947	80,051,082	46,893,947

4.1 Financial investments at fair value through profit or loss (Quoted equity)

	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Balance at the beginning of the year	10,463,494	5,800,623	10,463,494	5,800,623
Addition during the year	560,437	381,701	560,437	381,701
Fair value gains (Note 34)	385,503	4,281,170	385,503	4,281,170
Balance at the end of the year	11,409,434	10,463,494	11,409,434	10,463,494

Notes To The Consolidated And Separate Financial Statements Cont'd

	Group		Parent	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Attributable to policyholders	11,409,434	10,463,494	11,409,434	10,463,494
Attributable to shareholders	-	-	-	-

The group's equity securities comprises of shares and stock holdings of listed companies. Management valued the Company's quoted investments at market value which is a reasonable measurement of fair value since the prices of the shares are quoted in an active market. The instruments are measured and evaluated on a fair value basis and fair value is determined by reference to published price quotations in an active market - classified as level 1 in the fair value hierarchy.

4.2 **Fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

(a) Equity securities which are not held for trading, and which the group has elected at initial recognition to recognise as FVOCI. These are strategic investments and the group considers this classification to be more relevant.

Equity investments at FVOCI comprise the following individual investments:	Group		Parent	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Equity securities				
Fair value				
CSCS	50,218	47,219	50,218	47,219
WAMCO	14,213	28,000	14,213	28,000
	64,431	**75,219**	**64,431**	**75,219**

The fair value gains in the carrying amount of financial assets at fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income and accumulated under the heading of FVOCI reserve.

(b) **Equity instrument measured at fair value through other comprehensive income**	Group		Parent	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Balance at the beginning of the year	75,219	53,731	75,219	53,731
Fair value (loss)/gain (Note 24)	(10,788)	21,488	(10,788)	21,488
Balance at the end of the year	64,431	75,219	64,431	75,219
Attributable to policy holders	-	-	-	-
Attributable to shareholders	64,431	75,219	64,431	75,219

4.3 **Financial investments at amortised cost**	Group		Parent	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Bonds (Note 4.3(a))	27,024,645	17,240,844	27,024,645	17,240,844
Placement above 90 days (Note 4.3(d))	26,505,860	11,450,493	26,505,860	11,450,493
Treasury bills (Note 4.3(e))	8,033,471	532,585	8,033,471	532,585
Commercial papers (Note 4.3(f))	7,013,240	7,131,311	7,013,240	7,131,311
	68,577,216	36,355,234	68,577,216	36,355,234
Attributable to policyholders	64,711,467	7,405,696	64,711,467	7,405,696
Attributable to shareholders	3,865,750	28,949,538	3,865,750	28,949,538

(a) **Bonds**	N'000	N'000	N'000	N'000
Balance at the beginning of the year	17,456,873	6,951,673	17,456,873	6,951,673
Purchases during the year	3,810,035	4,989,532	3,810,035	4,989,532
Accrued interest	607,235	390,804	607,235	390,804
Redemption	(1,168,451)	(608,231)	(1,168,451)	(608,231)
Foreign exchange gain (Note 35(d))	7,245,490	5,733,096	7,245,490	5,733,096
	27,951,183	17,456,873	27,951,183	17,456,873
Allowance for credit losses (Note 4.3(g))	(926,538)	(216,029)	(926,538)	(216,029)
Balance at the end of the year	27,024,645	17,240,844	27,024,645	6,922,963

(b) **Breakdown of the bonds**

Institution	**Maturity date**	**Coupon Rate**	**Frequency**	**2024 N'000**	**2023 N'000**
Fidelity(Eurobond)	October 2026	7.63%	Half yearly	252,683	155,262
Sterling Bond(Corporate Bond)	October 2025	16.25%	Half yearly	30,949	30,949
Ondo State Bond	January 2027	13.00%	Half yearly	23,526	30,434
Capital Express(FGN BOND)	Various	Various	Half yearly	346,408	346,403
MBC(Flourmill Bond)(Corporate Bond)	February 2025	11.10%	Half yearly	103,983	103,982
Apel Asset(FGN Bond)	June 2027	11.20%	Half yearly	151,351	151,349

Notes To The Consolidated And Separate Financial Statements Cont'd

Breakdown of the bonds

Institution	Maturity date	Coupon Rate	Frequency	2024 N'000	2023 N'000
UBA Capital (Bond)(Corporate Bond)	May 2025	12.50%	Half yearly	15,268	37,367
Nova Merchant Bank(Bond)(Corporate Bond)	June 2027	12.00%	Half yearly	52,501	52,500
FSDH(Euro Bond)(first Bank Nigeria)	Various	Various	Half yearly	6,727,328	4,790,823
ValueFund Property(Corporate Bond)	January 2025	13.50%	Half yearly	-	159,065
Lagos State(Bond)	Various	Various	Half yearly	61,193	67,095
Edo State Bond	December 2025	9.00%	Half yearly	50,123	27,283
CardinalStone Bond(Corporate Bond)	December 2025	7.00%	Half yearly	53,492	103,419
Sokoto State Bond	May 2023	12.50%	Half yearly	-	30,963
Powercorp Green Bond	April 2031	12.00%	Half yearly	280,890	280,257
Garden City Bond	February 2024	6.00%	Half yearly	-	511,217
Kwara State Bond	July 2028	15.00%	Half yearly	36,929	44,893
Ecobank Euro Bond	February 2026	7.13%	Half yearly	416,860	259,644
Chapel Hill Bond	September 2028	6.13%	Half yearly	83,367	83,367
Apel Eurobond Trust(Ghana Bond)	January 2026	8.13%	Half yearly	-	98,689
Presco Bond	March 2029	12.85%	Half yearly	29,111	29,111
Niger State Bond	February 2029	15.50%	Half yearly	40,132	50,918
FGN BOND(ZEDCREST)	January 2026	12.50%	Half yearly	158,292	158,291
Fidelity(Eurobond)	October 2026	7.63%	Half yearly	941,546	578,496
Minaret Sukuk Bond	September 2028	15.00%	Half yearly	56,885	67,700
Gombe Bond(Jewel Sukuk)	August 2029	14.50%	Half yearly	41,323	46,168
PAT Digital Infra Fund(Bond)	February 2032	13.25%	Half yearly	105,451	105,450
Dangote Cement	April 2027	11.85%	Half yearly	118,799	118,798
FGN BOND(Apel Capital)	March 2027	16.29%	Half yearly	262,247	262,244
Eurobond(ZEDCREST)	October 2026	7.63%	Half yearly	392,366	241,090
Eurobond(Access bank 2026)Zedcrest	September 2026	6.13%	Half yearly	472,524	290,344
Apel Capital(FGN Bond)	January 2026	12.50%	Half yearly	118,520	118,519
Geregu Power Plc	July 2029	14.50%	Half yearly	106,166	106,165
Dangote Bond	July 2029	12.75%	Half yearly	52,873	52,873
Cross River State Bond	August 2029	15.50%	Half yearly	79,689	74,167
MTN Bond	September 2026	13.50%	Half yearly	103,348	103,347
Zamfara State Bond	October 2029	17.00%	Half yearly	207,967	192,789
Alagbaka Power Bond	September 2023	19.00%	Half yearly	158,356	158,354
FGN Eurobond	November 2025	7.63%	Half yearly	468,528	287,889
Capital Express (CEGAM)	November 2023	12.00%	Half yearly	-	129,493
Edo State Bond (River Jamieson)	March 2030	18.15%	Half yearly	473,757	473,749
Lagos State Government	May 2033	15.25%	Half yearly	189,817	189,815
FGN SUKUK VI	October 2023	15.75%	Half yearly	310,011	310,007
Amplitude Telecoms	April 2024	18.50%	Half yearly	521,272	521,786
Flour Mills Of Nigeria	May 2026	14.50%	Half yearly	408,068	408,065
Amplitude Telecoms	October 2024	18.50%	Half yearly	260,042	260,016
Amplitude Telecoms	December 2024	18.50%	Half yearly	200,485	200,295
TAB Funding SPV	December 2027	16.75%	Half yearly	401,772	401,767
Zimvest Capital(Eurobond)	June 2026	8.75%	Half yearly	777,051	477,461
FSDH (FGN Eurobond 2025)	November 2025	7.63%	Half yearly	1,171,324	719,723
Zedcrest (Access Bank Eurobond)	October 2033	6.13%	Half yearly	3,150,163	1,935,630
FSDH (Fidelity 2026 Eurobond)	October 2026	7.63%	Half yearly	877,540	539,207
FSDH (Fidelity 2026 Eurobond)	October 2026	7.63%	Half yearly	784,738	482,185
Acob Hybrid Ltd / Infra Fund	January 2031	16.25%	Half yearly	159,680	-
Flour Mills Of Nigeria	May 2029	22.00%	Half yearly	254,468	-
Gombe Bond(G.O.S)	April 2031	22.50%	Half yearly	509,920	-
FSDH(Access2026 Euro Bond)	September 2026	6.13%	Half yearly	1,573,455	-
NONREN(Fidelity Eurobond)	October 2026	7.63%	Half yearly	1,540,212	-
NONREN(Access Eurobond)	February 2026	7.13%	Half yearly	631,416	-
FSDH(Access2026 Euro Bond)	September 2026	6.13%	Half yearly	1,065,297	-
Apel Eurobond Trust(Access Bond)	Perpetual	9.13%	Half yearly	89,723	-
				27,951,183	17,456,873

(c) The bonds comprises of fully amortising bonds, partially amortising bonds and bullet bonds. All bonds are redeemable at par on their respective due dates. Management have opted to measure its bonds at amortised cost in accordance with IFRS 9 with subsequent ECL provisions made in accordance with the standard.

	Group		Parent	
	2024	2023	2024	2023
(d) Placements above 90 days	N'000	N'000	N'000	N'000
Opening balance	11,461,910	2,336,138	11,461,910	2,336,138
Addition during the year	46,288,481	16,669,082	46,288,481	16,669,082
Accrued interest	770,394	240,765	770,394	240,765
Matured during the year	(38,396,849)	(10,095,885)	(38,396,849)	(10,095,885)
Foreign exchange gain (Note 35(d))	6,460,437	2,311,810	6,460,437	2,311,810
	26,584,373	11,461,910	26,584,373	11,461,910
Allowance for credit losses (Note 4.3(h))	(78,512)	(11,417)	(78,512)	(11,417)
Balance at the end of the year	26,505,860	11,450,493	26,505,860	11,450,493

Notes To The Consolidated And Separate Financial Statements Cont'd

	GROUP		PARENT	
(e) **Treasury bills**	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Opening balance	533,063	360,000	533,063	360,000
Addition during the year	8,195,544	533,063	8,195,544	533,063
Disposals during the year	(648,000)	(360,000)	(648,000)	(360,000)
	8,080,607	533,063	8,080,607	533,063
Allowance for credit losses (Note 4.3(i))	(47,136)	(478)	(47,136)	(478)
Balance at the end of the year	8,033,471	532,585	8,033,471	532,585

(f) **Commercial papers**	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Opening balance	7,162,790	2,576,368	7,162,790	2,576,368
Addition during the year	4,071,002	7,162,790	4,071,002	7,162,790
Matured during the year	(4,180,981)	(2,576,368)	(4,180,981)	(2,576,368)
Balance	7,052,810	7,162,790	7,052,810	7,162,790
Allowance for credit losses (Note 4.3(j))	(39,570)	(31,478)	(39,570)	(31,478)
Balance at the end of the year	7,013,240	7,131,311	7,013,240	7,131,311

(g) **Impairment allowance on Bond:**	N'000	N'000	N'000	N'000
ECL allowance as at 1 January	216,029	28,710	216,029	28,710
Allowance during the year (Note 36(c))	710,509	187,319	710,509	187,319
Balance at the end of the year (Note 4.3(a))	926,538	216,029	926,538	216,029

(h) **Impairment allowance on Placements above 90 days:**	N'000	N'000	N'000	N'000
ECL allowance as at 1 January	11,417	16,149	11,417	16,149
(Write back)/Allowance during the year (Note 36(c))	67,096	(4,733)	67,096	(4,733)
Balance at the end of the year (Note 4.3(d))	78,512	11,417	78,512	11,417

(i) **Impairment allowance on Treasury bills:**	N'000	N'000	N'000	N'000
ECL allowance as at 1 January	478	2,489	478	2,489
(Write back)/Allowance during the year (Note 36(c))	46,658	(2,011)	46,658	(2,011)
Balance at the end of the year (Note 4.3(e))	47,136	478	47,136	478

(j) **Impairment allowance on Commercial papers:**	N'000	N'000	N'000	N'000
ECL allowance as at 1 January	31,478	17,810	31,478	17,810
Allowance during the year (Note 36(c))	8,092	13,668	8,092	13,668
Balance at the end of the year (Note 4.3(f))	39,570	31,478	39,570	31,478

5 Premium Receivable

	N'000	N'000	N'000	N'000
(a) Balance at the beginning of the year (Note 41(a))	450,143	672,356	354,531	672,356
Gross premium written during the year	110,718,945	63,009,810	108,389,774	62,708,320
Premium deposit received in the prior period	(726,865)	(295,460)	(653,385)	(295,460)
Premium received in the year	(109,171,133)	(62,936,563)	(107,837,898)	(62,730,685)
Balance at the end of the year (Note 41(a))	1,271,090	450,143	253,022	354,531
Current	965,670	450,143	253,022	354,531
Non-current	305,420			

(b) **Analysis of Premium Receivables**	N'000	N'000	N'000	N'000
Amount due from Insurance Brokers	1,271,090	450,143	253,022	354,531

(c) The Group's policy in line with the provisions of "No Premium, No Cover" on impairment of trade receivables recognizes, premium receivables from Brokers only. Such receivables should not exceed a period of 30 days.

Age of Premium Receivables	N'000	N'000	N'000	N'000
Within 14 days	90,598	-	90,598	-
Within 15 - 30 days	875,072	450,143	162,424	354,531
Above 30 days	305,420	-	-	-
	1,271,090	450,143	253,022	354,531

(d) Premium receivables are receivables from insurance brokers as at the year end and these have been collected subsequent to the year ended 31 December 2024.

	Group		Parent	
6 **Reinsurance Contract Assets**	2024	2023	2024	2023
Assets for Remaining Coverage (6(b))	8,200,607	4,933,371	8,200,607	4,933,371
Asset for incurred claims (Note 6(c))	7,709,954	4,499,671	7,709,954	4,499,671
	15,910,561	9,433,042	15,910,561	9,433,042
Current	8,200,607	4,933,371	8,200,607	4,933,371
Non-current	7,709,954	4,499,671	7,709,954	4,499,671

Notes To The Consolidated And Separate Financial Statements Cont'd

		Group		Parent	
		2024	2023	2024	2023
(a)	Summary of Reinsurance Contract Assets	N'000	N'000	N'000	N'000
	Reinsurance contract assets (excluding reinsurance deferred acquisition income cashflows, other prerecognition cashflows, and reinsurance payables)	17,209,701	9,977,277	17,209,701	9,977,278
	Reinsurance deferred acquisition income cashflows	(1,092,151)	(544,236)	(1,092,151)	(544,236)
	Other pre-recognition cashflows	-	-	-	-
	Reinsurance payables	(206,990)	-	(206,990)	-
		15,910,561	9,433,041	15,910,561	9,433,042
(b)	Asset for remaining coverage	N'000	N'000	N'000	N'000
	Excluding Loss component (6.1)	8,200,607	4,900,356	8,200,607	4,900,356
	Loss component (6.1)	-	33,014	-	33,014
		8,200,607	4,933,371	8,200,607	4,933,371
(c)	Asset for incurred claims				
	Estimates of present value of future cashflows (6.1)	7,121,675	4,168,549	7,121,675	4,168,549
	Risk adjustment for non-financial risk (6.1)	588,279	331,121	588,279	331,121
		7,709,954	4,499,671	7,709,954	4,499,671

6.1 Reconciliation of Reinsurance contracts held from opening to closing, as at December 31 2024

Group	Assets for remaining coverage		Asset for incurred claims		
	Non-loss component	Loss component	PV of Future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as of January 1, 2024	4,900,356	33,014	4,168,549	331,121	9,433,041
Reinsurance contract liabilities as of January 1, 2024	-	-	-	-	-
Net Reinsurance contracts as of January 1, 2024	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**
Allocation of reinsurance premium	(30,096,480)	-	-	-	(30,096,480)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-
Amounts recoverred from reinsurance:	-	-	-	-	-
Recoveries of incurred claims and other attributable income	-	-	10,892,565	257,157	11,149,722
Changes that relate to past service-adjustment to ARIC	-	-	841,231	-	841,231
Recoveries/(reversals of recoveries) on onerous contracts		(33,014)			(33,014)
	(30,096,480)	**(33,014)**	**11,733,796**	**257,157**	(18,138,541)
Insurance Finance Income	-	-	318,947	-	318,947
Insurance finance reserve (changes in discount rate)	-	-	-	-	-
	-	**-**	**318,947**	**-**	**318,947**
Cash flows in the period					
Reinsurance premiums paid	33,527,246	-	-	-	33,527,246
Amounts received under reinsurance contracts held	-	-	(9,099,617)	-	(9,099,617)
Cash flows	**33,527,246**	**-**	**(9,099,617)**	**-**	**24,427,629**
Non-cashflows in the period					
Impact of reinsurance premium payable	(130,516)	-	-	-	(130,516)
	33,396,730	**-**	**(9,099,617)**	**-**	**24,297,113**
Reinsurance contracts assets as of December 31, 2024	**8,200,607**	**-**	**7,121,675**	**588,279**	**15,910,560**
Reinsurance contract liabilities as of December 31, 2024	-	-	-	-	-
Net Reinsurance contracts as of December 31, 2024	**8,200,607**	**-**	**7,121,675**	**588,279**	**15,910,560**

Reconciliation of Reinsurance contracts held, as at December 31 2023

Group	Assets for remaining coverage		Asset for incurred claims		
	Non-loss component	Loss component	PV of Future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as of January 1, 2023	1,843,393	-	7,337,537	291,773	9,472,703
Reinsurance contract liabilities as of January 1, 2023	-	-	-	-	-
Net Reinsurance contracts as of January 1, 2023	**1,843,393**	**-**	**7,337,537**	**291,773**	**9,472,703**
Allocation of reinsurance premium	(15,849,441)	-	-	-	(15,849,441)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-
Amounts recoverred from reinsurance:	-	-	-	-	-
Recoveries of incurred claims and other attributable income	-	-	2,981,602	39,349	3,020,951
Changes that relate to past service-adjustment to ARIC	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	33,014	-	-	33,014
	(15,849,441)	**33,014**	**2,981,602**	**39,349**	(12,795,475)

Notes To The Consolidated And Separate Financial Statements Cont'd

Reconciliation of Reinsurance contracts held from opening to closing, as at December 31 2023 (Cont)

Group	Assets for remaining coverage		Asset for incurred claims		
	Non-loss component	Loss component	PV of Future cashflows	Risk adjustment	Total
	N'000	N'000	N'000	N'000	N'000
Insurance Finance Income	-	-	234,922	-	234,922
Insurance finance reserve (changes in discount rate)	-	-	-	-	-
	-	**-**	**234,922**	**-**	**234,922**
Cash flows in the period					
Reinsurance premiums paid	18,906,404	-	-	-	18,906,404
Amounts received under reinsurance contracts held	-	-	(6,385,512)	-	(6,385,512)
Net cash inflow	**18,906,404**	**-**	**(6,385,512)**	**-**	**12,520,892**
Reinsurance contracts assets as of December 31, 2023	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**
Reinsurance contract liabilities as of December 31, 2023	-	-	-	-	-
Net Reinsurance contracts as of December 31, 2023	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**

Reconciliation of Reinsurance contracts held from opening to closing, as at December 31 2024

Parent	Assets for remaining coverage		Asset for incurred claims		
	Non-loss component	Loss component	PV of Future cashflows	Risk adjustment N'000	Total
	N'000	N'000	N'000		N'000
Reinsurance contract assets as of January 1, 2024	4,900,356	33,014	4,168,549	331,121	9,433,041
Reinsurance contract liabilities as of January 1, 2024	-	-	-	-	-
Net Reinsurance contracts as of January 1, 2024	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**
Allocation of reinsurance premium	(30,096,480)	-	-	-	(30,096,480)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-
Amounts recoverred from reinsurance:					
Recoveries of incurred claims and other attributable income	-	-	10,892,565	257,157	11,149,722
Changes that relate to past service-adjustment to ARIC	-	-	841,231	-	841,231
Recoveries/(reversals of recoveries) on onerous contracts	-	(33,014)	-	-	(33,014)
	(30,096,480)	**(33,014)**	**11,733,796**	**257,157**	**(18,138,541)**
Insurance Finance Income	-	-	318,947	-	318,947
Insurance finance reserve (changes in discount rate)	-	-	-	-	-
	-	**-**	**318,947**	**-**	**318,947**
Cash flows in the period					-
Reinsurance premiums paid	33,527,246	-	-	-	33,527,246
Amounts received under reinsurance contracts held	-	-	(9,099,617)	-	(9,099,617)
Cash flow	**33,527,246**	**-**	**(9,099,617)**	**-**	**24,427,629**
Non-cashflows in the period					
Impact of reinsurance premium payable	**(130,516)**	-	-	-	(130,516)
Net cash flow	**33,396,730**	**-**	**(9,099,617)**	**-**	**24,297,113**
Reinsurance contracts assets as of December 31, 2024	**8,200,607**	**-**	**7,121,675**	**588,279**	**15,910,560**
Reinsurance contract liabilities as of December 31, 2024	-	-	-	-	-
Net Reinsurance contracts as of December 31, 2024	**8,200,607**	**-**	**7,121,675**	**588,279**	**15,910,560**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Reconciliation of Reinsurance contracts held, as at December 31 2023

Parent	Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1, 2023	1,843,393	-	7,337,537	291,773	9,472,703
Reinsurance contract liabilities as of January 1, 2023	-	-	-	-	-
Net Reinsurance contracts as of January 1, 2023	**1,843,393**	**-**	**7,337,537**	**291,773**	**9,472,703**
Allocation of reinsurance premium	(15,849,441)	-	-	-	(15,849,441)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-
Amounts recoverred from reinsurance:					
Recoveries of incurred claims and other attributable income	-	-	2,981,602	39,349	3,020,951
Changes that relate to past service-adjustment to ARIC	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	33,014	-	-	33,014
	(15,849,441)	**33,014**	**2,981,602**	**39,349**	(12,795,475)
Insurance Finance Income	-	-	234,922	-	234,922
Insurance finance reserve (changes in discount rate)	-	-	-	-	-
	-	**-**	**234,922**	**-**	**234,922**
Cash flows in the period					
Reinsurance premiums paid	18,906,404	-	-	-	18,906,404
Amounts received under reinsurance contracts held	-	-	(6,385,512)	-	(6,385,512)
Net cash inflow	**18,906,404**	**-**	**(6,385,512)**	**-**	**12,520,892**
Reinsurance contracts assets as of December 31, 2023	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**
Reinsurance contract liabilities as of December 31, 2023	-	-	-	-	-
Net Reinsurance contracts as of December 31, 2023	**4,900,356**	**33,014**	**4,168,549**	**331,121**	**9,433,041**

	Group		Parent	
	2024	2023	2024	2023
6.2 Breakdown of Asset for incurred claims	N'000	N'000	N'000	N'000
Present value of future cashflows	7,121,675	4,168,549	7,121,675	4,168,549
	7,121,675	4,168,549	7,121,675	4,168,549

7 Insurance finance reserve	N'000	N'000	N'000	N'000
Opening balance	-	-	-	-
Changes during the year	-	-	-	-
Closing balance	-	-	-	-

	Group		Parent	
	2024	2023	2024	2023
8 Other receivables and prepayments	N'000	N'000	N'000	N'000
Prepayments (Note 8(a))	89,408	36,347	38,461	24,738
Accounts receivable (Note 8(b))	593,188	419,050	3,719	1,690
Staff loans and advances (Note 8(c))	104,067	108,114	104,067	108,114
Intercompany receivable (8(h))	-	-	-	20,000
Withholding Tax Receivable	318,605	82,956	317,418	82,905
Deposit for shares in NEM Asset Management Coy Ltd (Note 8(d))	-	-	82,500	82,500
Receivables from NEM Health Ltd (Note 8(e))	-	-	213,576	53,576
Stock brokers' current accounts (Note 8(f))	2,032	1,899	2,032	1,899
Deposit for shares in Alpha Morgan Bank Ltd (Note 8(g))	2,150,000	1,500,000	2,150,000	1,500,000
	3,257,300	2,148,365	2,911,773	1,875,423
(a) Prepayments	N'000	N'000	N'000	N'000
Balance at the beginning of the year	36,347	51,531	24,738	51,531
Payment during the year	89,408	37,447	38,461	24,738
Amortisation during the year (Note 8(a)(ii))	(36,347)	(52,631)	(24,738)	(51,531)
Balance at the end of the year	89,408	36,347	38,461	24,738
(i) Breakdown of prepayments	N'000	N'000	N'000	N'000
Prepaid Commission	50,947	11,609	-	-
Rent and rates	38,461	24,738	38,461	24,738
	89,408	36,347	38,461	24,738

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(ii)	**Breakdown of amortisation during the year**	N'000	N'000	N'000	N'000
	Commission	23,285	33,012	15,848	33,012
	Rent and rates	13,062	18,519	8,890	18,519
		36,347	51,531	24,738	51,531

(iii) Prepaid commission represents commission paid to brokers on deposit premium received during the year which will be recognised respectively when the business commence.

(b)	**Accounts receivable**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	507,674	233,370	1,690	8,804
	Additions	238,453	287,364	2,028	-
	Received during the year	(27,390)	(13,060)	-	(7,114)
	Written-off during the year(Note 8(b)iii)	(78,997)	-	-	-
		639,740	507,674	3,719	1,690
	Provision for impairment (Note 8(b)i)	(46,552)	(88,624)	-	-
		593,188	419,050	3,719	1,690

(i)	**Provision for Impairment**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	88,624	22,199	-	-
	Allowance during the year (Note 36(b))	36,924	66,425	-	-
	Written-off during the year(Note 8(b)iii)	(78,997)	-	-	-
		46,552	88,624	-	-

(ii) Included in the N593 million group balance is the amount of N488 million (614 million less impairment of 46.5 million) due from NEM Asset Management Company Limited's customers. The impairment was necessary as a result of the risk of non-performance of the facilities extended to customers. Management has intensified efforts to ensure the recoverability of these amounts. The N3.7 million parent balance relates to rent receivable from the company's tenants.

(iii) The write-off was as a result of some irrecoverable loans extended to some NEM Asset Management Ltd customers. These loans have previously been fully impaired and the write-off was approved by the board through a resolution dated 18th March, 2024.

		2024	2023	2024	2023
(c)	**Staff loans and advances**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	108,114	220,446	108,114	220,446
	Additions during the year	-	102,496	-	102,496
	Repayment during the year	(4,047)	(64,191)	(4,047)	(64,191)
	Write-off during the year (Note 8(c)(i)	-	(150,637)	-	(150,637)
	Balance at the end of the year	104,067	108,114	104,067	108,114

(i) Write-off in 2023 financial year represents staff loans and advances no longer recoverable.

(d)	**Deposit for shares in NEM Asset Management Company Ltd**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	-	82,500	82,500
	Balance at the end of the year	-	-	82,500	82,500

(i) Deposit for shares in NEM Asset Management Ltd represents amount given to NEM Asset Management Company Limited for future increase in shares.

(e)	**Receivables from NEM Health Ltd**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	-	53,576	26,540
	Addition	-	-	160,000	312,036
	Reclassification during the year (Note 10(b))	-	-	-	(285,000)
	Balance at the end of the year	-	-	213,576	53,576

	2024	2023	2024	2023
Addition in Nem health is broken into:	N'000	N'000	N'000	N'000
Cash	-	-	160,000	260,119
Assumed liability	-	-	-	51,917
	-	-	160,000	312,036

The assumed liability relates to the outstanding lease balance relating to the acquisition of a vehicle on lease by NEM Insurance Plc for NEM Health Ltd. NEM insurance Plc have fully transferred ownership to NEM Health but has fully retained the liability arising thereof.

(i) The balance on receivables from NEM Health Ltd represents amount given to NEM Health Limited for future increase in shares.

(f)	**Stock brokers' current accounts**	N'000	N'000	N'000	N'000
	Centrepoint Investment Limited	2,032	1,899	2,032	1,899
		2,032	1,899	2,032	1,899

(i) Stock brokers' current accounts comprise of amount due to NEM Insurance Plc after year end reconciliation with brokers.

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		Group		Parent	
		N'000	N'000	N'000	N'000
(g)	**Deposit for Shares in Alpha Morgan Bank Ltd**	2024	2023	2024	2023
	Balance at the beginning and end of the year	1,500,000	-	1,500,000	-
	Addition during the year	650,000	1,500,000	650,000	1,500,000
		2,150,000	1,500,000	2,150,000	1,500,000

Following the board resolution dated 27th April 2023, NEM Insurance Plc deposited the sum of N1.5 billion to acquire a 15% stake in Alpha Morgan Bank Ltd and is awaiting approval from all relevant regulatory authorities. Also, given the board resolution dated 29th April 2024, N650 million was used to acquire an additional stake in the bank.

(h) The N20million facility to NEM Asset Management Ltd as at 31 December 2023 has been fully repaid by the subsidiary.

(i)	**Interest Receivable**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	122,496	-	122,496
	Balance at the end of the year	-	-	-	-

9	**Non-Controlling Interest**	N'000	N'000	N'000	N'000
	115,000,000 ordinary shares in NEM Health Ltd	42,927	115,000	-	-
	Share of Profit/(Loss) for the year	26,189	(72,073)	-	-
	Balance	69,116	42,927	-	-

This is the component of shareholders' equity as reported on the consolidated statement of financial position which represents the ownership interest of shareholders other than the parent of the subsidiary. As at the reporting date, other shareholders held 28.75% percent of the ordinary share capital (including the voting rights) of NEM Health limited, which was incorporated in Nigeria on 22 November 2022 with registration number "2002868" .

10	**Investment in Subsidiaries**	N'000	N'000	N'000	N'000
	Investment in subsidiary - NEM Asset Management Company Ltd(Note(10(a))	-	-	150,000	150,000
	Investment in subsidiary - NEM Health Limited(Note 10(b))	-	-	285,000	285,000
		-	-	435,000	435,000

10(a)	**Investment in subsidiary - NEM Asset**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	-	150,000	150,000
	Reclassification during the year (Note 8(d))	-	-	-	-
	Balance at the end of the year	-	-	150,000	150,000

NEM Insurance Plc acquired 100% interest in NEM Asset Management Company limited in 2016. NEM Asset Management Company Limited commenced operation in March 2016 and its principal activity is asset leasing and LPO financing. The Assets and Liabilities of the Subsidiary are consolidated in these Financial Statements. Its principal place of business is at NEM House 199 Ikorodu road, Obanikoro, Lagos. During the year, the subsidiary made a profit of N65,376,287 (2023:Loss N53,322,724).

10(b)	**Investment in subsidiary - NEM Health**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	-	-	285,000	-
	Reclassification during the year (Note 8(e))	-	-	-	285,000
	Balance at the end of the year	-	-	285,000	285,000

NEM Insurance Plc incorporated and acquired a 71.25% interest in NEM Health Ltd on 22 November 2022 . NEM Health Limited commenced operation in May 2023 and its principal activity is the provision of health management services. The Assets and Liabilities of the new Subsidiary are consolidated in these financial statements. Its principal place of business is at NEM House 199 Ikorodu road, Obanikoro, Lagos. During the year, the subsidiary made a profit of N91,093,700 (2023; Loss N250,688,955).

10(c) The table below summarises the information of all the Parent's subsidiaries before any intra-group elimination.

(i) **NEM Asset Management Company Limited**

	2024 N'000	2023 N'000
Cash and cash Equivalents	690,507	8,029
Trade and other Receivables	488,754	390,923
Property plant and equipment	9,170	6,397
Deferred tax asset	-	-
Other liabilities	(993,851)	(276,145)
Net assets	194,580	129,204

	N'000	N'000
Income	233,327	60,874
Expenses	(151,417)	(109,271)
Profit/(Loss) before tax	81,910	(48,398)
Profit/(Loss) before tax	65,376	(53,323)

Notes To The Consolidated And Separate Financial Statements Cont'd

(ii) **NEM Health Limited**

	2024 N'000	2023 N'000
NCI Percentage	28.75%	28.75%
Cash and cash equivalent	516,737	87,414
Trade receivables	1,018,068	95,612
Other receivables and prepayments	398,784	146,457
Intangible assets	34,096	11,950
Property plant and equipment	119,988	136,428
Insurance contract liabilities	(1,237,007)	(187,878)
Other liabilities	(260,261)	(140,671)
Net assets	590,405	149,311
Carrying amount of NCI	69,116	-
	N'000	N'000
Income	1,504,147	122,803
Expenses	(1,409,604)	(373,492)
Profit/(Loss) before tax	94,543	(250,689)
Profit/(Loss) after tax	91,094	(250,689)
Profit/(Loss) allocated to NCI (28.75%)	26,189	(72,073)

10(d) **Significant restrictions and impairment**

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities asides those resulting from the regulatory frameworks within which the insurance business operates.

The Company's investment in subsidiaries was assessed for impairment as at 31 December 2024 with no trigger of impairment identified. Consequently, no impairment charge was recognised.

11 Investment Properties	Group 2024 N'000	Group 2023 N'000	Parent 2024 N'000	Parent 2023 N'000
Balance at the beginning of the year	2,353,946	1,813,768	2,353,946	1,813,768
Addition during the year (Note 11(f))	-	13,400	-	13,400
Revaluation gain (Note 34)	1,376,639	526,778	1,376,639	526,778
Balance at the end of the year	3,730,585	2,353,946	3,730,585	2,353,946

(a) **Carrying amount of investment properties**

Carrying amount of investment properties	Status of Title	Balance at the beginning of the year N'000	Additions N'000	Fair value changes N'000	Carrying amount N'000
Oniru-Block Xv1, Plot 11, Aremo Adesegun Oniru Crecent, Off Onigefon Road, Oniru, Lagos	Perfection in progress	413,356	-	274,020	687,376
Ebute-Metta- 22a, Borno Way, Ebute-Metta Lagos	Perfected	432,307	-	139,277	571,584
Zaria- Plot No 34, Liverpool Street, Off River Road, GRA Extension Zaria, Kaduna State	Perfected	68,283	-	3,342	71,625
Plot 10, Elegba Festival Drive, Off Oba Idowu Abiodun Oniru Street, Victoria Island, Lagos	Perfection in progress	1,440,000	-	960,000	2,400,000
		2,353,946	-	1,376,639	3,730,585

The Company's investment properties are allocated as follows:	Group 2024 N'000	Group 2023 N'000	Parent 2024 N'000	Parent 2023 N'000
Attributable to policyholders	-	-	-	-
Attributable to shareholders	3,730,585	2,353,946	3,730,585	2,353,946

(b) Investment properties are held at fair value which has been determined based on valuations performed by independent valuation experts, Diya Fatimilehin & Co. Estate Surveyors & Valuers (FRC/2013/NIESV/00000000754) ; Plot 237B, Muri Okunola Street, Victoria Island , Lagos; The Valuers Fatimilehin Adegboyega and Diya Maurise Kolawole are registered with Financial Reporting Council of Nigeria with registration Numbers FRC/2013/NIESV/00000000754 and FRC/2013/NIESV/00000002773 respectively.

(c) The valuers are the industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between knowledgeable, willing buyers and knowledgeable, willing sellers in an arm's length transaction at the date of valuation, in accordance with standards issued by International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the statement of profit or loss.

(d) This is an investment in land and building held primarily for generating income or capital appreciation and occupied substantially for use in the operations of the Company. This is carried in the statement of financial position at their market value.

(e) In the year, there was revaluation fair value gain on investment properties of N1,376,639,000 (2023: N526,778,000)

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(g) The fair value measurement for the Group's investment properties has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see below). The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Investment Security Hierarchy	Valuation technique	Fair value at 31 December 2024 N'000	Unobservable inputs	Range of unobservable inputs (probability weighted average) N'000	Relationship of unobservable inputs to fair value
Oniru-Block Xv1, Plot 11, Aremo Adesegun Oniru Crecent, Off Onigefon Road, Oniru, Lagos	Market Comparison Valuation approach	687,376	Forecast price per metre square	N505 per metre square	The higher the price per square metre, the higher the fair value
Ebute-Metta- 22a, Borno Way, Ebute-Metta Lagos	Depreciation Replacement Cost Method	571,584	Forecast price per metre square	N622 per metre square	The higher the price per square metre, the higher the fair value
Zaria- Plot No 34, Liverpool Street, Off River Road, GRA Extension Zaria, Kaduna State	Depreciation Replacement Cost Method	71,625	Forecast price per metre square	N23 per metre square	The higher the price per square metre, the higher the fair value
Plot 10, Elegba Festival Drive, Off Oba Idowu Abiodun Oniru Street, Victoria Island, Lagos	Depreciation Replacement Cost Method	2,400,000	Forecast price per metre square	N2,017 per meter square	The higher the price per square metre, the higher the fair value

12	Statutory deposit	N'000	N'000	N'000	N'000
	Statutory deposit	320,000	320,000	320,000	320,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2024: (2023: N320m) which was in accordance with section 9(1) and section 10 (3) of Insurance Act CAP I17 LFN 2003. Statutory deposits are measured at cost.

		Group		Parent	
13	Intangible assets (Computer software)	2024	2023	2024	2023
	Cost	N'000	N'000	N'000	N'000
	At 1 January	150,439	98,690	119,197	81,235
	Addition (Note 13(a))	34,882	51,750	8,423	37,962
	At 31 December	185,322	150,439	127,620	119,197
	Amortisation				
	At 1 January	96,330	82,969	77,036	65,514
	Amortisation during the year	17,519	13,361	13,207	11,522
	At 31 December	113,849	96,330	90,243	77,036
	Carrying Amount	71,473	54,110	37,377	42,161

(a) The software named "IES' previously acquired by the Company used in posting the business transactions has been fully amortized but still in use with the carrying amount of N10,000. However, additions were made to the software that was acquired during the year for the implementation of IFRS 17 from "Tripple A".

Notes To **The Consolidated And Separate Financial Statements** Cont'd

14(a) Property, plant and equipment (Group)

Cost	Land N'000	Building N'000	Machinery & equipt N'000	Motor Vehicles N'000	Furniture & fittings N'000	Computer Equipment N'000	Total N'000
At 1 January 2023	763,430	2,839,111	42,266	821,930	27,124	210,775	4,704,636
Additions	-	35,397	15,033	254,564	36,428	124,472	465,894
Reclassification (Note 14(c))	-	-	-	249,200	-	-	249,200
Disposals	-	-	-	(267,648)	(2,588)	(7,584)	(277,820)
At 31 December 2023	763,430	2,874,508	57,299	1,058,046	60,964	327,663	5,141,909
At 1 January 2024	763,430	2,874,508	57,299	1,058,046	60,964	327,663	5,141,909
Additions (Note 14(a)(i))	-	5,395	5,200	171,218	40,931	200,231	422,975
Reclassification (Note 14(c))	-	-	-	22,046	-	-	22,046
Disposals	-	-	-	(127,271)	(3,420)	(12,216)	(142,907)
Revaluation during the year (Note 25)	228,470	281,497	-	-	-	-	509,967
At 31 December 2024	991,900	3,161,401	62,499	1,124,039	98,475	515,678	5,953,991
Accumulated depreciation							
At 1 January 2023	-	56,782	11,566	625,269	16,096	108,735	818,448
Charge for the year	-	57,490	17,272	153,080	10,772	59,650	298,264
On disposals	-	-	-	99,680	-	-	99,680
Reclassification (Note 14(c))	-	-	-	(266,964)	(2,588)	(7,106)	(276,658)
At 31 December 2023	-	114,272	28,838	611,065	24,280	161,280	939,734
At 1 January 2024	-	114,272	28,838	611,065	24,280	161,280	939,734
Charge for the year	-	57,598	10,197	188,119	18,977	90,778	365,669
Reclassification (Note 14(c))	-	-	-	4,409	-	-	4,409
On disposals	-	-	-	(103,007)	(3,420)	(12,140)	(118,567)
Transfer to revaluation reserve (Note 25)	-	(171,870)	-	-	-	-	(171,870)
At 31 December 2024	-	-	39,035	700,586	39,837	239,918	1,019,376
Carrying amounts at:							
31 December 2024	991,900	3,161,401	23,464	423,453	58,638	275,760	4,934,615
31 December 2023	763,430	2,760,236	28,461	446,981	36,684	166,383	4,202,175

(ii) The Group had no capital commitments as at the statement of financial position date (2023: Nil). As at the reporting date land is being carried at revalued amount.

(iii) Reclassification represents cost and accumulated depreciation of prior year's Right-of-use (ROU) asset (Motor vehicle) reclassified to property, plant and equipment during the year. This was as a result of the transfer of ownership of the leased vehicles following the completion of their respective lease rental payments.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(b) **Property, plant and equipment (Parent)**

	Land	Building	Machinery & equipt	Motor Vehicles	Furniture & fittings	Computer Equipment	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	763,430	2,839,111	42,264	810,176	27,038	209,230	4,691,249
Additions	-	35,397	15,035	152,571	18,511	86,962	308,476
Reclassification (Note 14(c))	-	-	-	249,200	-	-	249,200
Disposals	-	-	-	(267,648)	(2,588)	(7,584)	(277,820)
At 31 December 2023	763,430	2,874,508	57,299	944,299	42,961	288,608	4,971,105
At 1 January 2024	763,430	2,874,508	57,299	944,299	42,961	288,608	4,971,105
Additions (Note 14(a)(i))	-	5,395	5,200	121,244	30,639	187,821	350,300
Reclassification (Note 14(c))	-	-	-	22,046	-	-	22,046
Disposals	-	-	-	(127,271)	(3,420)	(12,216)	(142,907)
Revaluation during the year (Note 25)	228,470	281,497	-	-	-	-	509,967
At 31 December 2024	991,900	3,161,401	62,499	960,319	70,180	464,213	5,710,511
Accumulated depreciation							
At 1 January 2023	-	56,782	11,566	621,038	16,096	107,575	813,057
Charge for the year	-	57,490	17,272	137,976	8,372	54,566	275,676
On disposals	-	-	-	(266,964)	(2,588)	(7,106)	(276,658)
Reclassification (Note 14(c))	-	-	-	99,680	-	-	99,680
At 31 December 2023	-	114,272	28,838	591,730	21,880	155,035	911,755
At 1 January 2024	-	114,272	28,838	591,730	21,880	155,035	911,755
Charge for the year	-	57,598	10,197	159,021	12,643	82,345	321,804
Reclassification (Note 14(c))	-	-	-	4,409	-	-	4,409
On disposals	-	-	-	(103,007)	(3,420)	(12,140)	(118,567)
Transfer to revaluation reserve (Note 25)	-	(171,870)	-	-	-	-	(171,870)
At 31 December 2024	-	-	39,035	652,153	31,102	225,240	947,531
Carrying amounts at:							
31 December 2024	991,900	3,161,401	23,464	308,166	39,078	238,973	4,762,981
31 December 2023	763,430	2,760,236	28,461	352,569	21,081	133,573	4,059,350

Notes To The Consolidated And Separate Financial Statements Cont'd

14(c) Right-of-Use Assets

	Group		Parent	
	2024	2023	2024	2023
Cost	N'000	N'000	N'000	N'000
At 1 January	761,269	249,200	761,269	249,200
Additions during the year	331,647	761,269	381,620	761,269
Reclassification (Note 14(a)(iii)	(22,046)	(249,200)	(22,046)	(249,200)
At 31 December	1,070,869	761,269	1,120,843	761,269
Accumulated depreciation	N'000	N'000	N'000	N'000
At 1 January	152,254	99,680	152,254	99,680
Charge for the year	216,673	152,254	224,169	152,254
Reclassification (Note 14(a)(iii)	(4,409)	(99,680)	(4,409)	(99,680)
At 31 December	364,517	152,254	372,013	152,254
Carrying amounts at:				
At 31 December	706,352	609,015	748,830	609,015

15 Insurance Contract Liabilities

	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Liability for Remaining Coverage (Note 15(b))	26,787,364	16,385,228	25,597,165	16,202,176
Liability for Incurred claims (Note 15(c))	15,543,200	8,900,496	15,496,394	8,895,671
	42,330,564	25,285,724	41,093,559	25,097,847

The firm Ernst & Young (FRC/2012/NAS/00000000738), an actuarial service organisation did the valuation for the reporting date. The actuarial valuation reports were authorised by Miller Kingsley, a professional actuary registered with the Financial Reporting Council of Nigeria with registration number FRC/2012/NAS/00000002392.

(a) **Summary of Insurance Contract Liabilities**	N'000	N'000	N'000	N'000
Insurance contract liabilities (excluding insurance acquisition cashflow assets)	47,458,338	28,263,218	46,221,333	28,075,341
Insurance acquisition cashflow assets	(5,127,774)	(2,977,494)	(5,127,774)	(2,977,494)
Insurance contract liabilities	42,330,564	25,285,724	41,093,559	25,097,847

(b) **Liability for Remaining Coverage**	N'000	N'000	N'000	N'000
Excluding loss component (Note 15.1)	26,787,364	16,185,239	25,597,165	16,002,187
Loss component (Note 15.1)	-	199,989	-	199,989
	26,787,364	16,385,228	25,597,165	16,202,176

(c) **Liability for Incurred claims**	N'000	N'000	N'000	N'000
Estimates of present value of future cashflows (Note 15.1)	14,360,807	8,245,883	14,314,000	8,241,057
Risk adjustment for non-financial risk (Note 15.1)	1,182,394	654,614	1,182,394	654,614
	15,543,200	8,900,496	15,496,394	8,895,671

Notes To **The Consolidated And Separate Financial Statements** Cont'd

15.1 **Reconciliation of Insurance contracts issued, 31 December 2024**

Group	Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component	Loss component	PV of Future cashflows	Risk adjustment	TOTAL
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at January 1, 2024	16,185,239	199,989	8,245,883	654,614	25,285,725
Insurance contract assets as of January 1 2024	-	-	-	-	-
Net Insurance Contracts as of January 1 2024	**16,185,239**	**199,989**	**8,245,883**	**654,614**	**25,285,725**
Insurance Revenue (Note 27)	(97,966,541)	-	-	-	(97,966,541)
Insurance Service Expenses:					
Incurred claims (Note 32.1)	-	-	30,796,034	527,780	31,323,814
Changes that relate to past service-adjustment to LIC	-	-	(1,030,540)	-	(1,030,540)
Amortization of insurance acquisition cashflows (Note 32.1)	30,915,128	-	-	-	30,915,128
Losses and reversals of losses on onerous contracts (Note 32.1)	-	(199,989)	-	-	(199,989)
Total Insurance Service Expenses	30,915,128	(199,989)	29,765,494	527,780	61,008,412
Total Gross Insurance Service result	**(67,051,413)**	**(199,989)**	**29,765,494**	**527,780**	**(36,958,128)**
Insurance finance expenses	-	-	351,320	-	351,320
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-
	-	**-**	**351,320**	**-**	**351,320**
Total changes in the statement of profit or loss and other comprehensive income	**(67,051,413)**	**(199,989)**	**30,116,814**	**527,780**	**(36,606,809)**
Cash flows in the period:					
Premiums received (Note 5)	109,171,133	-	-	-	109,171,133
Insurance acquisition cash flows paid (Note 32.2a)	(18,548,266)	-	-	-	(18,548,266)
Maintenance cost paid (Note 32.2b)	(14,517,142)				(14,517,142)
Claims paid (Note 31(a))	-	-	(24,993,086)		(24,993,086)
Cash received from salvages (Note 31(c))	-	-	991,196	-	991,196
Net cash flow	**76,105,726**	**-**	**(24,001,890)**	**-**	**52,103,836**
Items in the SOFP (non-cash flow items):					
Premium deposits on policies initially recognized during the year	726,865	-	-	-	726,865
Impact of premium receivables on policies recognized during the year	820,947	-	-	-	820,947
Non-Cash flow items	**1,547,812**	**-**	**-**	**-**	**1,547,812**
Insurance contract liabilities, as at December 31 2024	**26,787,364**	**-**	**14,360,807**	**1,182,394**	**42,330,564**
Insurance contract assets as at December 31 2024	**-**	**-**	**-**	**-**	**-**
Net Insurance Contracts as at December 31 2024	**26,787,364**	**-**	**14,360,807**	**1,182,394**	**42,330,564**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Reconciliation of Insurance contracts issued, 31 December 2023

Group	Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1, 2023	6,818,366	-	7,379,736	476,064	14,674,166
Insurance contract assets as of January 1 2023	-	-	-	-	-
Net Insurance Contracts as of January 1 2023	**6,818,366**	**-**	**7,379,736**	**476,064**	**14,674,166**
Insurance Revenue (Note 27)	(52,112,434)				(52,112,434)
Insurance Service Expenses:					-
Incurred claims (Note 32.1)	-	-	14,850,605	178,550	15,029,155
Changes that relate to past service-adjustment to LIC	-	-	-	-	-
Amortization of insurance acquisition cashflows (Note 32.1)	18,989,828	-	-	-	18,989,828
Losses and reversals of losses on onerous contracts (Note 32.1)	-	199,989	-	-	199,989
Total Insurance Service Expenses	18,989,828	199,989	14,850,605	178,550	34,218,972
Total Gross Insurance Service result	**(33,122,606)**	**199,989**	**14,850,605**	**178,550**	**(17,893,462)**
Insurance finance expenses	-	-	389,227	-	389,227
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-
	-	**-**	**389,227**	**-**	**389,227**
Total changes in the statement of profit or loss and other comprehensive income	**(33,122,606)**	**199,989**	**15,239,832**	**178,550**	**(17,504,235)**
Cash flows in the period:					
Premiums received (Note 5)	63,009,810	-	-	-	63,009,810
Insurance acquisition cash flows paid (Note 32.2)	(20,520,331)	-	-	-	(20,520,331)
Claims paid (Note 31)	-	-	(14,373,686)	-	(14,373,686)
Net cash flow	**42,489,479**	**-**	**(14,373,686)**	**-**	**28,115,793**
Insurance contract liabilities, as at December 31 2023	**16,185,239**	**199,989**	**8,245,883**	**654,614**	**25,285,725**
Insurance contract assets as at December 31 2023	-	-	-	-	-
Net Insurance Contracts as at December 31 2023	**16,185,239**	**199,989**	**8,245,883**	**654,614**	**25,285,725**

Reconciliation of Insurance contracts issued, 31 December 2024

Parent	Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1, 2024	16,002,187	199,989	8,241,058	654,614	25,097,848
Insurance contract assets as of January 1 2024	-	-	-	-	-
Net Insurance Contracts as of January 1 2024	**16,002,187**	**199,989**	**8,241,058**	**654,614**	**25,097,848**
Insurance Revenue (Note 27)	(96,644,516)	-	-	-	(96,644,516)
Insurance Service Expenses:					
Incurred claims (Note 32.1)	-	-	30,002,221	527,780	30,530,000
Changes that relate to past service-adjustment to LIC	-	-	(1,030,540)	-	(1,030,540)
Amortization of insurance acquisition cashflows (Note 32.1)	30,827,030	-	-	-	30,827,030
Losses and reversals of losses on onerous contracts (Note 32.1)	-	(199,989)	-	-	(199,989)
Total Insurance Service Expenses	30,827,030	(199,989)	28,971,681	527,780	60,126,501
Total Gross Insurance Service result	**(65,817,486)**	**(199,989)**	**28,971,681**	**527,780**	**(36,518,015)**
Insurance finance expenses	-	-	351,320	-	351,320
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-
	-	**-**	**351,320**	**-**	**351,320**
Total changes in the statement of profit or loss and other comprehensive income	**(65,817,486)**	**(199,989)**	**29,323,001**	**527,780**	**(36,166,695)**
Cash flows in the period:					
Premiums received (Note 5)	107,837,898	-	-	-	107,837,898
Insurance acquisition cash flows paid (Note 32.2a)	(18,460,168)	-	-	-	(18,460,168)
Maintenance cost paid (Note 32.2b)	(14,517,142)	-	-	-	(14,517,142)
Claims paid (Note 31(a))	-	-	(24,241,254)	-	(24,241,254)
Cash received from salvages (Note 31(c))	-	-	991,196	-	991,196
Net cash flow	**74,860,589**	**-**	**(23,250,058)**	**-**	**51,610,530**
Items in the SOFP (non-cash flow items):					
Premium deposits on policies initially recognized during the year	653,385	-	-	-	653,385
Impact of premium receivables on policies recognized during the year	(101,509)	-	-	-	(101,509)
Non-Cash flow items	**551,876**	**-**	**-**	**-**	**551,876**
Insurance contract liabilities, as at December 31 2024	**25,597,165**	**-**	**14,314,000**	**1,182,394**	**41,093,559**
Insurance contract assets as at December 31 2024	-	-	-	-	-
Net Insurance Contracts as at December 31 2024	**25,597,165**	**-**	**14,314,000**	**1,182,394**	**41,093,559**

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Reconciliation of Insurance contracts issued, 31 December 2023

Parent	Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1, 2023	6,818,366		7,379,736	476,064	14,674,166
Insurance contract assets as of January 1 2023	-	-	-	-	-
Net Insurance Contracts as of January 1 2023	**6,818,366**	**-**	**7,379,736**	**476,064**	**14,674,166**
Insurance Revenue (Note 27)	(51,993,997)	-	-	-	(51,993,997)
Insurance Service Expenses:					
Incurred claims (Note 32.1)	-	-	14,753,047	178,550	14,931,597
Changes that relate to past service-adjustment to LIC	-	-	-	-	-
Amortization of insurance acquisition cashflows (Note 32.1)	18,984,781	-	-	-	18,984,781
Losses and reversals of losses on onerous contracts (Note 32.1)	-	199,989	-	-	199,989
Total Insurance Service Expenses	18,984,781	199,989	14,753,047	178,550	34,116,366
Total Gross Insurance Service result	**(33,009,216)**	**199,989**	**14,753,047**	**178,550**	**(17,877,631)**
Insurance finance expenses	-	-	389,227	-	389,227
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-
	-	**-**	**389,227**	**-**	**389,227**
Total changes in the statement of profit or loss and other comprehensive income	**(33,009,216)**	**199,989**	**15,142,273**	**178,550**	**(17,488,404)**
Cash flows in the period:					
Premiums received (Note 5)	62,708,320	-	-	-	62,708,320
Insurance acquisition cash flows paid (Note 32.2)	(20,515,283)	-	-	-	(20,515,283)
Claims paid (Note 31)	-	-	(14,280,952)	-	(14,280,952)
Net cash flow	**42,193,037**	**-**	**(14,280,952)**	**-**	**27,912,085**
Insurance contract liabilities, as at December 31 2023	**16,002,187**	**199,989**	**8,241,057**	**654,614**	**25,097,847**
Insurance contract assets as at December 31 2023	-	-	-	-	-
Net Insurance Contracts as at December 31 2023	**16,002,187**	**199,989**	**8,241,057**	**654,614**	**25,097,847**

15.2 **Liability for Incurred claims**

	Group		Parent	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Fire	4,633,377	3,157,786	4,633,377	3,157,786
Accident	1,393,349	1,026,496	1,393,349	1,026,496
Marine and Aviation	2,523,348	825,317	2,523,348	825,317
Motor	3,006,717	1,901,659	3,006,717	1,901,659
Oil and Gas	1,552,703	555,386	1,552,703	555,386
Agriculture	5,994	7,284	5,994	7,284
Engineering	1,173,147	716,003	1,173,147	716,003
Bond	25,366	51,127	25,366	51,127
Health Insurance	46,807	4,825	-	-
	14,360,807	8,245,883	14,314,000	8,241,058

Liability for incurred claims is composed of Outstanding claims reserve N5,316,092,943 (31 Dec 2023:N2,531,091,405), IBNR reserve of N7,815,513,966 (31 Dec 2023: N5,055,352,828), and risk adjustment of N1,182,393,571 (2023; N654,614,017)

(b) The Age Analysis of Liability for Incurred Claims (excluding IBNR) in thousands of Nigerian Naira as at 31 December 2024 is as follows:

	Pending substantiating documents	Related to awaiting adjusters' report	Discharge vouchers not returned by the customers	Total N'000	31 Dec 2023 N'000
0 - 90 days	139,837	170,410	216,783	527,031	144,400
91 - 180 days	184,367	218,083	237,303	639,754	149,332
181 - 270 days	285,504	302,258	342,565	930,328	163,464
270 - 365 days	542,886	552,059	642,764	1,737,710	865,864
365 days and above	502,735	486,147	492,389	1,481,271	1,208,030
	1,655,331	1,728,957	1,931,805	5,316,093	2,531,091

(c) **Risk Adjustment**

	Group		Parent	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Fire	382,735	250,833	382,735	250,833
Accident	115,096	81,538	115,096	81,538
Marine and Aviation	208,439	65,558	208,439	65,558
Motor	248,367	151,055	248,367	151,055
Oil and Gas	128,259	44,116	128,259	44,116
Agriculture	495	579	495	579
Engineering	96,907	56,874	96,907	56,874
Bond	2,095	4,061	2,095	4,061
	1,182,394	654,614	1,182,394	654,614

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(d) 2024 AGE ANALYSIS BY REASON	0 - 90 days		91 - 180 days		181-270 days		271 -365 days		Above 365 days		Total	
	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000
1 Discharge Voucher Signed and returned to policyholders	62	58,251	50	54,724	55	53,316	70	145,573	67	210,365	304	522,229
2 Discharge Vouchers not yet Signed	97	19,564	124	22,082	130	60,170	61	65,613	65	30,318	477	197,748
3 Claims reported but incomplete documentation	190	46,584	365	216,536	403	331,227	502	428,384	901	524,341	2,361	1,547,072
4 Claims reported but been adjusted	250	90,676	157	56,612	121	197,741	170	196,757	40	21,250	738	563,036
5 Claims repudiated	-	-	15	1,000	10	3,000	-	-	5	4,000	30	8,000
6 Awaiting adjusters final report	120	100,781	175	182,434	125	46,096	401	325,242	305	280,512	1,126	935,065
7 Litigation award	-	-	-	-	8	4,175	16	61,550	35	176,500	59	242,225
8 Awaiting Lead insurer's instruction	134	211,175	103	106,365	95	83,853	269	261,209	1,033	189,758	1,634	852,360
9 Third party liability outstanding	-	-	-	-	25	150,749	42	253,381	35	44,227	102	448,357
Total	853	527,031	989	639,754	972	930,328	1,531	1,737,710	2,486	1,481,271	6,831	5,316,093

(d) 2023 AGE ANALYSIS BY REASON	0 - 90 days		91 - 180 days		181-270 days		271 -365 days		Above 365 days		Total	
	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000
1 Discharge Voucher Signed and returned to policyholders	21	28,125	5	27,362	15	26,658	22	97,049	35	140,243	98	319,438
2 Discharge Vouchers not yet Signed	12	13,493	9	12,619	9	40,114	13	52,490	21	24,255	64	142,970
3 Claims reported but incomplete documentation	25	17,151	15	13,440	53	16,435	23	218,922	901	524,341	1,017	790,290
4 Claims reported but been adjusted	1	5,676	7	6,112	7	7,741	6	96,957	10	11,250	31	127,736
5 claims repudiated	-	-	1	1,000	2	3,000	-	-	1	4,000	4	8,000
6 Awaiting adjusters final report	10	50,781	10	82,434	8	29,739	11	224,305	12	193,457	51	580,716
7 Litigation award	-	-	-	-	6	4,175	12	61,550	29	176,500	47	242,225
8 Awaiting Lead insurer's instruction	34	29,175	35	6,365	45	23,853	35	61,209	1,023	89,758	1,172	210,360
9 Third party liability outstanding	-	-	-	-	15	11,749	15	53,381	35	44,227	65	109,357
Total	103	144,400	82	149,332	160	163,464	137	865,864	2,067	1,208,030	2,549	2,531,091

Notes To **The Consolidated And Separate Financial Statements** Cont'd

		Group		Parent	
		2024	2023	2024	2023
15.3(a)	**Liability for Remaining coverage- Non loss**	N'000	N'000	N'000	N'000
	Fire	5,034,282	3,095,764	5,034,282	3,095,764
	Accident	1,331,822	811,800	1,331,822	811,800
	Marine and Aviation	2,352,343	931,329	2,352,343	931,329
	Motor	6,952,892	5,844,628	6,952,892	5,844,628
	Oil and Gas	7,330,416	4,033,582	7,330,416	4,033,582
	Agriculture	48,283	47,288	48,283	47,288
	Engineering	2,037,256	948,171	2,037,256	948,171
	Bond	509,870	289,625	509,870	289,625
	Health Insurance	1,190,200	183,054	-	-
		26,787,365	16,185,241	25,597,164	16,002,187

(b) The above balances represent the unearned premium amount. It represents the company's obligation to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred. The carrying amounts disclosed above approximate fair value at the reporting date. All amounts are payable within one year.

(c)	**Liability for Remaining Coverage- Onerous contracts**	N'000	N'000	N'000	N'000
	Fire	-	-	-	-
	Accident	-	-	-	-
	Marine and Aviation	-	-	-	-
	Motor	-	199,989	-	199,989
	Oil and Gas	-	-	-	-
	Agriculture	-	-	-	-
	Engineering	-	-	-	-
	Bond	-	-	-	-
	Health	-		-	-
		-	199,989	-	199,989

		Group		Parent	
		2024	2023	2024	2023
16.1	**Other Technical liabilities**	N'000	N'000	N'000	N'000
	Premium Deposits (16(a))	718,236	726,865	666,240	653,385
	Premium Payables	-	130,516	-	130,516
		718,236	857,381	666,240	783,901
(a)	**Premium Deposits**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	726,865	295,460	653,385	295,460
	Movement during the year	(8,629)	431,405	12,855	357,925
	Balance at the end of the year	718,236	726,865	666,240	653,385

Premium deposit represents advance received in 2024 for 2025 premium production.

16.2	**Reinsurance Premium Payables**	N'000	N'000	N'000	N'000
	Balance as at 1st January	-	192,067	-	192,067
	Premium on reinsurance contract recognized during the year	-	18,906,404	-	18,906,404
	Reinsurance premium paid during the year	-	(18,967,955)	-	(18,967,955)
	Balance as at 31st December	-	130,516	-	130,516
(a)	**Breakdown of Payables per Broker**	N'000	N'000	N'000	N'000
	Due to Reinsurance Broker - A.O.N.(Note 16.2(a))	-	8,464	-	8,464
	Due to Reinsurance Broker - SCIB (Note 16.2(b))	-	122,052	-	122,052
		-	130,516	-	130,516

Premium payable represents premium due to reinsurance companies and brokers, and commission payable to insurance brokers. The carrying amount disclosed above reasonably approximates fair value at the reporting date. All amounts are payable within one year and payment process has commenced subsequent to the year end.

Notes To The Consolidated And Separate Financial Statements Cont'd

		Group		Parent	
		2024	2023	2024	2023
(b)	**Due to Reinsurance Broker - A.O.N.**	N'000	N'000	N'000	N'000
	Premium	-	6,136	-	6,136
	Commission	-	2,328	-	2,328
		-	8,464	-	8,464
(c)	**Due to Reinsurance Broker - SCIB**	N'000	N'000	N'000	N'000
	Premium	-	88,487	-	88,487
	Commission	-	33,564	-	33,564
		-	122,052	-	122,052
17.1	**Other Payables**	N'000	N'000	N'000	N'000
	Accruals (Note 17(b))	3,302,940	814,499	3,212,195	801,736
	Dividend payable (Note 17(b(i))	1,271,731	1,064,284	1,271,731	1,064,284
	Other creditors (Note 17(c))	1,014,399	214,687	84,137	149,502
		5,589,070	2,093,470	4,568,064	2,015,522

(a) The carrying amount disclosed above reasonably approximates fair value at the reporting date. All amounts are payable within one year.

(c)	**Accruals**	N'000	N'000	N'000	N'000
	Audit fees	26,800	23,225	23,725	20,025
	Profit Sharing*	1,218,283	350,000	1,218,283	350,000
	Performance bonus	92,973	50,927	64,941	50,927
	Filing fee	1,000	1,000	1,000	1,000
	ICFR Fee	9,000	9,675	9,000	9,675
	NAICOM Levy	494,081	355,109	494,081	355,109
	PAYE payable	97	65	-	-
	WHT payable	7,337	127	-	-
	Cooperative	88	18	-	-
	Actuarial & Property valuation	8,000	-	5,500	-
	Nigerian Content Development Fund Levy	1,395,666	-	1,395,666	-
	National Health Insurance Authority Levy	7,399	-	-	-
	Others	42,218	24,352	-	15,000
		3,302,940	814,499	3,212,195	801,736

*Profit sharing is the provision for the bonus incentive in which the company's employees receive a direct share of the profits.

(c) Dividend payable represents Unclaimed Dividend returned to the Group by Apel Capital & Trust Limited for investment as required by Securities and Exchange Commission.

	Movement in dividend payable:	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	1,064,284	938,259	1,064,284	938,259
	Dividend declared (Note 23)	3,009,887	1,504,943	3,009,887	1,504,943
	Dividend paid	(2,802,439)	(1,378,919)	(2,802,439)	(1,378,919)
	Balance at the end of the year	1,271,731	1,064,284	1,271,731	1,064,284
(d)	**Other Creditors**				
	Due to NEM Assets Management Ltd	N'000	N'000	N'000	N'000
	(See (i) below)	-	-	37,478	104,888
	Unearned Rental income	40,938	40,812	40,938	40,812
	Outstanding NHF contributions	6,132	3,802	5,722	3,802
	Other Creditor (See (ii) below)	967,329	170,073	-	-
		1,014,399	214,687	84,137	149,502

(i) NEM Asset Management Company Ltd financed the purchase of some motor cars for NEM Insurance Plc. The total amount outstanding as at 31 December 2024 was N37,478,066 (2023: N104,888,000.). NEM Asset Management Company Limited is a fully owned subsidiary of NEM Insurance Plc.

(ii)	**Customer's Deposits**	N'000	N'000	N'000	N'000
	Balance at the beginning of the year	170,073	-	-	-
	Addition during the year	797,256	-	-	-
	Balance as at the end of the year	967,329	-	-	-

Included in other creditors is the sum of N967,329,158 which are short term deposits due to external customers of NEM Asset Management Company ltd.

Notes To The Consolidated And Separate Financial Statements Cont'd

	Group		Parent	
	2024	2023	2024	2023
17.2 Lease liabilities	N'000	N'000	N'000	N'000
Balance at the beginning of the year	473,241	35,999	473,241	35,999
Additions during the year	240,892	543,725	277,818	543,725
Interest charged during the year (Note 30)	135,356	120,202	137,768	120,202
Lease initial deposit requirement	103,802	217,544	103,802	217,544
Lease payment during the year	(490,882)	(444,229)	(496,907)	(444,229)
Balance as at the end of the year	462,408	473,241	495,722	473,241

18 Retirement Benefit Obligations

The Group has a defined benefit gratuity scheme covering its entire employees who have spent a minimum number of five years continuous service. The scheme is unfunded, therefore, no contribution is made to any fund. The Company has stopped gratuity since 2014 and the balance outstanding on it is subjected to valuation at year end. The company has settled the liabilities of all employees under this scheme, and has thus, discontinued the valuation of the liability, derecognised all outstanding liabilities, reserves and assets in that regards.

The amounts recognised in the income statement (Management expenses) are as follows:

	N'000	N'000	N'000	N'000
Current service cost	-	-	-	-
Interest cost on benefit obligation (Note 36(a))	-	-	-	-
	-	-	-	-

The amounts recognised in the statement of financial position at the reporting date are as follows:

	N'000	N'000	N'000	N'000
Present value of the defined benefit obligation				
Total defined benefit obligation	-	-	-	-

The movement in the defined benefit obligation is as follows:	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	29,497	-	29,497
Current service cost	-	-	-	-
Interest cost	-	-	-	-
Benefits paid (Note 41)	-	(40,960)	-	(40,960)
Actuarial loss-Due to change in assumption	-	11,463	-	11,463
Actuarial losses - Due to experience adjustment	-	-	-	-
Balance at the end of the year	-	-	-	-

19 Taxation

	Group		Parent	
	2024	2023	2024	2023
(a) Per Financial Position	N'000	N'000	N'000	N'000
Balance at the beginning of the year	1,155,603	379,224	1,154,348	378,179
Income tax for the year	6,008,873	869,457	5,988,890	869,305
Education tax for the year	621,537	107,475	621,537	107,475
Prior year over-provision (Note 19(b))	(726,330)	-	(726,330)	-
Information technology levy (Note 19(b))	335,204	191,787	335,204	191,787
Police Trust Fund Levy	1,676	-	1,676	-
Paid during the year	(428,018)	(392,791)	(428,018)	(392,398)
Balance at the end of the year	6,968,545	1,155,152	6,947,308	1,154,348
(b) Per Income Statement	N'000	N'000	N'000	N'000
Income tax	6,008,873	869,457	5,988,890	869,305
Education tax	621,537	107,475	621,537	107,475
Prior year over-provision	(726,330)	-	(726,330)	-
Police Trust Fund Levy	1,676	-	1,676	-
Information technology levy	335,204	191,787	335,204	191,787
	6,240,960	1,168,719	6,220,978	1,168,567
Deferred tax asset (Note 20 (i))	-	256,411	-	253,568
Deferred tax liabilities (Note 20 (ii))	(1,782,881)	4,503,940	(1,782,881)	4,502,010
Charge for the year	4,458,079	5,929,070	4,438,096	5,924,145
(c) Per Statement of Cash flows				
Tax Paid during the year	(428,018)	(392,791)	(428,018)	(392,398)
Withholding tax utilized during the year	-	46,949	-	46,949
Total Cash paid for Tax liability	(428,018)	(345,842)	(428,018)	(345,449)

Notes To The Consolidated And Separate Financial Statements Cont'd

(d) Effective tax reconciliation

The effective tax reconciliation for the Group is as follows:	Rate	2024 N'000	Rate	2023 N'000
Profit before income tax		33,698,653		18,877,855
Tax calculated at the corporate tax rate	30%	10,109,596	30%	5,753,768
Effect of Education tax levy	2%	621,537	1%	107,475
Effect of:				
Non-deductible expenses	1%	496,961	0%	82,703
Tax exempt income	-13%	(4,225,092)	-18%	(3,350,829)
PTF Levy	0%	1,676	0%	-
Information technology levy (NITDA)	1%	335,204	1%	191,787
Recognition of temporary differences	-6%	(2,155,474)	17%	3,144,165
Prior year overprovision	-2%	(726,330)	0%	-
Total income tax expense in income statement	13%	4,458,079	31%	5,929,070

The effective tax reconciliation for the Parent is as follows:	Rate	2024 N'000	Rate	2023 N'000
Profit before income tax		33,520,419		19,178,721
Tax calculated at the corporate tax rate	30%	10,056,126	30%	5,753,616
Tertiary Education tax levy	2%	621,537	1%	107,475
Effect of:				
Non-deductible expenses	1%	496,961	0%	82,703
Tax exempt income	-13%	(4,230,770)	-17%	(3,350,829)
PTF levy	0%	1,676	0%	-
Information technology levy (NITDA)	1%	335,204	1%	191,787
Recognition of temporary differences	-6%	(2,116,308)	16%	3,139,392
Overprovision in prior years	-2%	(726,330)	0%	-
Total income tax expense in income statement	13%	4,438,096	31%	5,924,145

(e) Information Technology Levy

The Nigeria Information Technology Development Agency (NITDA) Act was signed into Law on 24 April, 2007. Section 12 (2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

20 Deferred Taxation

i Deferred tax Assets	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	(256,411)	-	(253,568)
Write back for the year	-	256,411	-	253,568
Balance at the end of the year	-	-	-	-

ii **Deferred tax Liabilities**	N'000	N'000	N'000	N'000
Balance at the beginning of the year	4,507,627	3,687	4,505,697	3,687
Charge for the year	(1,783,636)	4,503,940	(1,782,881)	4,502,010
Revaluation surplus (Note 25)	-	-	-	-
Other reserves-gratuity (Note 26)	-	-	-	-
Balance at the end of the year	2,723,991	4,507,627	2,722,816	4,505,697

iii **Analysis of deferred tax liabilities as at year end**	N'000	N'000	N'000	N'000
Property plant and equipment	1,060,397	810,813	1,059,297	808,883
Unrealised foreign exchange gain	1,888,550	3,681,405	1,888,475	3,681,405
Fair value gain on investment property	137,664	52,678	137,664	52,678
Impairment allowance on financial assets	(362,621)	(37,269)	(362,621)	(37,269)
	2,723,991	4,507,627	2,722,816	4,505,697

21 Share Capital

Ordinary shares issued and fully paid	N'000	N'000	N'000	N'000
5,016,477,767 ordinary shares of N1 each	5,016,477	5,016,477	5,016,477	5,016,477
	5,016,477	5,016,477	5,016,477	5,016,477

22 Statutory contingency reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	9,837,510	7,186,595	9,837,510	7,186,595
Transfer from retained earnings (Note 23)	5,816,465	2,650,915	5,816,465	2,650,915
Balance at the end of the year	15,653,975	9,837,510	15,653,975	9,837,510

Statutory contingency reserve is calculated in accordance with the provisions of Section 21(2) of the Insurance Act, 2003 at the higher of 3% of the total premium or 20% of total profit after tax. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50% of net premium.

During the current year, this was calculated based on 20% of the profit after tax.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

	Group		Parent	
	2024	2023	2024	2023
23 Retained earnings	N'000	N'000	N'000	N'000
Balance at the beginning of the year	21,578,802	12,713,805	21,779,997	12,681,279
Profit for the year	29,214,386	13,020,855	29,082,323	13,254,576
Transfer to contingency reserve (Note 22)	(5,816,465)	(2,650,915)	(5,816,465)	(2,650,915)
Dividend declared (Note 17(b)(i))	(3,009,887)	(1,504,943)	(3,009,887)	(1,504,943)
Balance at the end of the year	41,966,836	21,578,802	42,035,969	21,779,997

(a) The company's profit after tax for the year was after adding foreign exchange gains of N14,785,554,260 (2023: N11,388,625,083). As at the reporting date the unearned portion of the companies current year profit after tax amounted to N9,213,389,952 (Earned N19,868,933,047), representing net foreign exchange gains on the revaluation of closing balances of foreign quoted investments.

24 FVOCI reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	(46,277)	(67,765)	(46,277)	(67,765)
(Loss)/Gain during the year (Note 4.2(b))	(10,788)	21,488	(10,788)	21,488
Balance at the end of the year	(57,065)	(46,277)	(57,065)	(46,277)

(a) The fair value reserve shows the effect from the fair value measurement of financial instruments of the category FVOCI. Any gains or losses are not recognised in the comprehensive income statement until the asset has been sold or impaired. The negative movement was due to change in the long term Unquoted Investments.

25 Asset revaluation reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	2,107,964	2,107,964	2,107,964	2,107,964
Additions during the year: Cost- revaluation surplus (Note 14)	509,967	-	509,967	-
Accumulated depreciation (Note 14)	171,870	-	171,870	-
	681,837	-	681,837	-
Deferred tax (Note 20(ii))	-	-	-	-
	681,837	-	681,837	-
Balance at the end of the year	2,789,801	2,107,964	2,789,801	2,107,964

(a) The Land and building assets were revalued during the current year in line with the Group's policy of carrying out a valuation exercise once in every three (3) years. The Valuation was done with respect to December, 2024 financial statements by Jide Taiwo Estate Surveyors and Valuers with FRCN number FRC/2012/00000000254. The report was duly signed by Peter Chime with FRCN number FRC/2015/PRO/NIESV/004/000000114642.

26 Other Reserves - gratuity	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	58,581	-	58,581
Loss during the year	-	(11,463)	-	(11,463)
	-	(47,118)	-	(47,118)
Other actuarial gain				
Deferred tax (Note 20(ii))	-	-	-	-
Balance at the end of the year	-	-	-	-

(a) **This comprise of the cumulative actuarial loss on change in assumptions and experience adjustment.**

27 Insurance Revenue	N'000	N'000	N'000	N'000
Insurance revenue (Note 27(a))	97,966,541	52,112,435	96,644,516	51,993,997
	97,966,541	52,112,435	96,644,516	51,993,997

(a) Insurance revenue increased when compared with previous year because of the new businesses won during the year and especially due to aggressive marketing embarked upon by the Company. Gross written premium of N108,389,774,059 (2023; N62,708,320,074) was underwritten by the company during the financial year.

(b) **Insurance Revenue**	N'000	N'000	N'000	N'000
Fire	16,683,026	11,583,954	16,683,026	11,583,954
Oil and Gas	30,858,872	10,932,219	30,858,872	10,932,219
General accident	6,058,577	4,769,538	6,058,577	4,769,538
Marine	12,263,224	4,459,975	12,263,224	4,459,975
Motor	24,519,765	16,309,055	24,519,765	16,309,055
Agriculture	83,321	82,539	83,321	82,539
Engineering	5,167,349	3,123,932	5,167,349	3,123,932
Bond	1,010,382	732,785	1,010,382	732,785
Health Insurance Premium (Note 27 (c))	1,322,025	118,437	-	-
	97,966,541	52,112,435	96,644,516	51,993,998
Total insurance revenue	97,966,541	52,112,435	96,644,516	51,993,998

(c) The health insurance revenue relates to earned premium income generated from NEM Health limited.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

		Group		Parent	
28	Borrowings	N'000	N'000	N'000	N'000
	Balance at the Beginning	1,557,737	-	1,557,737	-
	Addition	-	1,500,000	-	1,500,000
	Interest Exp (Note 30)	-	228,570	-	228,570
	Repayment	(1,557,737)	(170,833)	(1,557,737)	(170,833)
	Closing balance	-	1,557,737	-	1,557,737

During the year, NEM Insurance Plc paid-off the short term loan facility from Alpha Morgan Ltd at 20% interest which was obtained to finance the 15% deposit for shares in Alpha Morgan Bank ltd.

29.1	Net expenses from reinsurance contracts	N'000	N'000	N'000	N'000
	Allocation of Reinsurance Premium (Note 6.1)	30,096,480	15,849,440	30,096,480	15,849,440
	Incurred claims Recovered (Note 6.1)	(11,149,722)	(3,020,951)	(11,149,722)	(3,020,951)
	Changes that relate to past service-adjustment to ARIC (Note 6.1)	(841,231)	-	(841,231)	-
	Recoveries and reversals of recoveries on onerous contracts (Note 6.1)	33,014	(33,014)	33,014	(33,014)
		18,138,541	12,795,475	18,138,541	12,795,475

29.2(a)	**Paid reinsurance expense**	N'000	N'000	N'000	N'000
	Reinsurance premiums paid (Note 6.1)	33,527,246	18,906,404	33,527,246	18,906,404
		33,527,246	18,906,404	33,527,246	18,906,404
	Opening-Due to Reinsurance Broker-A.O.N (Note 16)	-	119,268	-	119,268
	Opening-Due to Reinsurance Broker - SCIB (Note 16)	-	72,799	-	72,799
	Closing-Due to Reinsurance Broker - A.O.N. (Note 16)	-	(8,464)	-	(8,464)
	Closing-Due to Reinsurance Broker - SCIB (Note 16)	-	(122,052)	-	(122,052)
	Reinsurance expense paid during the year	33,527,246	18,967,955	33,527,246	18,967,955

(b) Reinsurance expenses of N33,527,246,084 was paid during the year, N19,579,949,165 was paid to the foreign insurers while N14,023,770,901 was paid to local insurers. In 2023 reinsurance expense stood at N13,947,296,919 (Foreign N10,656,246,236 - Local N8,298,290,000). Ceding commission of N3,170,414,996 (2023; N2,995,191,514) was deducted to arrive at the reinsurance premiums paid.

		Group		Parent	
30	Finance Cost	N'000	N'000	N'000	N'000
	Interest exp on Lease Financing (17.2)	135,356	120,202	137,768	120,202
	Interest exp on Alpha morgan Loan facility (Note 28)	-	228,570	-	228,570
	Interest expense-Others (Note 30(a))	64,627	14,037	-	-
		199,983	362,809	137,768	348,772

(a) Interest expense-others relates to the interest expense paid by NEM Asset Management Company Ltd on its financial commitments.

31	Claims Expenses paid				
		N'000	N'000	N'000	N'000
	Gross Claims paid (Note 31(a))	24,993,086	15,569,519	24,241,254	15,569,519
	Direct Claims recovered (Note 31(c))	(991,196)	(1,288,567)	(991,196)	(1,288,567)
		24,001,890	14,280,952	23,250,058	14,280,952

31(a)	**Claims paid per class**	N'000	N'000	N'000	N'000
	Motor	7,802,685	6,862,673	7,802,685	6,862,673
	Marine	2,295,322	1,346,001	2,295,322	1,346,001
	Fire	5,299,463	3,910,233	5,299,463	3,910,233
	General Accident	2,733,580	2,060,446	2,733,580	2,060,446
	Oil and Gas	5,083,117	492,398	5,083,117	492,398
	Agric	26,824	11,944	26,824	11,944
	Engineering	992,470	813,530	992,470	813,530
	Bond	7,793	72,293	7,793	72,293
	Health Insurance	751,831	-	-	-
		24,993,086	15,569,519	24,241,254	15,569,519

(b) Claims expenses consist of claims paid during the financial year.

(c) **Direct Claims recovered**

Classes	N'000	N'000	N'000	N'000
Motor	205,152	258,085	205,152	258,085
Marine	63,304	36,053	63,304	36,053
Fire	553,323	788,838	553,323	788,838
General Accident	124,699	183,938	124,699	183,938
Oil and Gas	20,000	-	20,000	-
Agric	-	-	-	-
Engineering	24,181	15,052	24,181	15,052
Bond	536	6,600	536	6,600
Health	-		-	
	991,196	1,288,567	991,196	1,288,567

Notes To **The Consolidated And Separate Financial Statements** Cont'd

		Group		Parent	
32.1	**Insurance Service Expenses**	N'000	N'000	N'000	N'000
	Incurred Claims Expenses (Note 15.1)	31,323,814	15,029,155	30,530,000	14,931,597
	Changes that relate to past service-adjustment (Note 15.1)	(1,030,540)	-	(1,030,540)	-
	Amortization of insurance acquisition cashflows (Note 15.1)*	30,915,128	18,989,828	30,827,030	18,984,781
	Losses/(reversals of losses) on onerous contracts (Note 15.1)	(199,989)	199,989	(199,989)	199,989
		61,008,412	34,218,972	60,126,501	34,116,367

*Amortization of insurance acquisition cashflows relates to commission expenses and other directly attributable expenses incurred during the year.

32.2	**Insurance acquisition cash flows paid**	N'000	N'000	N'000	N'000
	Acquisition cost incurred during the year (Note 32(a))	18,548,266	10,397,851	18,460,168	10,392,804
	Maintenance incurred during the year (Note 32(b))	14,517,142	10,122,479	14,517,142	10,122,479
		33,065,408	20,520,331	32,977,310	20,515,283
(a)	**Acquisition expense**				
	The analysis of commission expenses by **business class is as follows:**	N'000	N'000	N'000	N'000
	Motor	3,228,856	2,520,902	3,228,856	2,520,902
	Marine	2,710,609	808,859	2,710,609	808,859
	Fire	3,906,812	2,737,100	3,906,812	2,737,100
	General Accident	1,361,618	1,020,240	1,361,618	1,020,240
	Oil & Gas	5,716,850	2,420,877	5,716,850	2,420,877
	Agriculture	12,847	9,616	12,847	9,616
	Engineering	1,265,352	726,425	1,265,352	726,425
	Bond	257,224	148,784	257,224	148,784
	Health Insurance	88,098	5,047	-	-
	Acquisition expenses incurred during the year	18,548,266	10,397,851	18,460,168	10,392,804
	Prepaid commission-opening (Note 8(i))	(11,609)	(38,525)	-	(38,524)
	Prepaid commission-closing (Note 8(i))	50,947	11,609	-	-
	Acquisition cost per cash flow	18,587,604	10,370,935	18,460,168	10,354,280
(b)	**The analysis of Maintenance expenses by business class is as follows:**	N'000	N'000	N'000	N'000
	Motor	3,453,903	3,247,423	3,453,903	3,247,423
	Marine	1,879,254	764,971	1,879,254	764,971
	Fire	2,559,728	2,173,404	2,559,728	2,173,404
	General Accident	898,576	815,665	898,576	815,665
	Oil & Gas	4,675,794	2,430,192	4,675,794	2,430,192
	Agriculture	11,362	10,156	11,362	10,156
	Engineering	866,328	560,584	866,328	560,584
	Bond	172,198	120,085	172,198	120,085
		14,517,142	10,122,479	14,517,142	10,122,479
(c)	**The analysis of Maintenance expenses for the purpose Statement of Cash flows:**	N'000	N'000	N'000	N'000
	Maintenance Expenses	14,517,142	10,122,479	14,517,142	10,122,479
	Opening provision for Transport & traveling	-	39,175	-	39,175
	Closing Provision for Transport and Traveling expense	-	(50,927)	-	(50,927)
	Total Cash used for Maintenance expenses	14,517,142	10,110,727	14,517,142	10,110,727

(d) Insurance service expenses consist of claims and claims handling expenses, acquisition and maintenance expenses which include commission and policy expenses, and a proportion of directly attributable costs. Insurance service expenses for insurance contracts are amortized over the coverage period.

32.3	**Expenses Reconciliation**	N'000	N'000	N'000	N'000
	Incurred claim expenses	30,293,274	15,029,155	29,499,460	14,931,597
	Commission expenses	18,548,266	10,397,851	18,460,168	10,392,804
	(Reversals of losses)/Losses on onerous contracts	(199,989)	199,989	(199,989)	199,989
	Technical employee benefits	660,067	535,083	660,067	535,083
	Marketing and Business development expenses	9,676,284	7,350,413	9,676,284	7,350,413
	Professional and consultancy fees	859,480	1,018,801	859,480	1,018,801
	Vehicle tracking	327,183	277,142	327,183	277,142
	VAT Expenses	1,397,929	778,790	1,397,929	778,790
	Nigerian Content Development Fund Levy	1,395,666	-	1,395,666	-
	Management expenses (Note 36)	8,523,079	5,279,154	7,920,820	4,912,943
	Others	200,533	162,251	200,533	162,251
		71,681,771	41,028,628	70,197,601	40,559,812
	Amounts attributed to insurance acquisition cashflows incurred during the year	(3,671,983)	(1,468,051)	(3,671,983)	(1,468,051)
	Amortisation of insurance acquisition cashflows	1,521,703	167,963	1,521,703	167,963
		69,531,491	39,728,540	68,047,321	39,259,723

Notes To **The Consolidated And Separate Financial Statements** Cont'd

	Group		Parent	
	N'000	N'000	N'000	N'000
Represented by:	**2024**	**2023**	**2024**	**2023**
Insurance service expenses	61,008,412	34,449,386	60,126,501	34,346,781
Management expenses	8,523,079	5,279,154	7,920,820	4,912,943
	69,531,491	39,728,540	68,047,321	39,259,723

33 Investment Income	N'000	N'000	N'000	N'000
Dividend income	771,736	687,422	771,736	687,422
Interest Revenue Calculated using the effective Interest method (Note 33(a))	6,858,654	2,649,191	6,789,128	2,648,134
Total Investment income*	7,630,390	3,336,613	7,560,863	3,335,556
Opening Interest receivable-Cash (Note 8(i))	-	122,496	-	122,496
Opening Accrued interest-Bond(Note 4.3(a))	390,804	-	390,804	-
Opening Accrued interest-Placements (Note 4.3(d))	240,765	-	240,765	-
Closing Accrued interest-Bond (Note 4.3(a))	(607,235)	(390,804)	(607,235)	(390,804)
Closing Accrued interest-Placements (Note 4.3(d))	(770,394)	(240,765)	(770,394)	(240,765)
Opening Withholding tax receivable (Note 8)	82,956	-	82,905	-
Closing Withholding tax receivable (Note 8)	(318,605)	-	(317,418)	-
Cash received from investment income	6,648,682	2,827,540	6,580,291	2,826,483

*The increase in Total Investment income was as a result of increased investment in various financial assets as well as the general increase in interest rates in the country.

(a) **Interest Revenue Calculated using the effective Interest method**	N'000	N'000	N'000	N'000
Interest from fixed deposit	1,430,559	1,451,604	1,361,032	1,450,547
Interest from Amortised cost financial assets	5,390,534	1,178,339	5,390,534	1,178,339
Interest from statutory deposit	37,562	19,248	37,562	19,248
	6,858,654	2,649,191	6,789,128	2,648,134

(b) **Investment Income**	N'000	N'000	N'000	N'000
Attributable to Policy holders	4,303,610	1,868,969	4,234,084	1,867,912
Attributable to Share holders	3,326,780	1,467,644	3,326,780	1,467,644
	7,630,390	3,336,613	7,560,863	3,335,556

34 Net Fair Value Gain				
Investment properties:	N'000	N'000	N'000	N'000
Fair Value Gain (Note 11)	1,376,639	526,778	1,376,639	526,778
Fair Value through Profit or Loss:				
Quoted Equity Securities (Note 4.1)	385,503	4,281,170	385,503	4,281,170
	1,762,142	4,807,948	1,762,142	4,807,948

35.1 Other operating income	N'000	N'000	N'000	N'000
Sundry income (Note 35(a))	251,648	112,402	100,805	112,402
Interest and Similar Income (35(c))	174,546	64,183	-	-
Interest Income-Staff loan	-	16,740	-	16,740
Rental Income (Note 35(b))	71,257	49,284	80,887	50,975
	497,451	242,610	181,693	180,117

(a) **Sundry Income**	N'000	N'000	N'000	N'000
Withholding tax credit notes (Note 35(a)(i))	-	62,707	-	62,707
Provision no longer required (Note 35(a)(ii))	100,643	1,361	100,643	1,361
Interest earned on current account	163	307	163	307
Rent refund on Garki Abuja Branch	-	900	-	900
Statute Barred Unclaimed Dividend	-	8	-	8
Reclassification of other actuarial gain	-	47,118	-	47,118
Commission income (Note 35(a)(iii))	150,843	-	-	-
	251,648	112,402	100,805	112,402

(i) Amounts recognised with respect to withholding tax credit notes are in respect of Withholding tax deducted at source on interests and dividends income from which credits have been issued by FIRS for the purpose of defraying company income tax expenses.

(ii) Provision no longer required refers to over-provision on NAICOM levy and other professional fees.

(iii) Commission income relates to amount earned by Nem Health Limited for referring businesses to foreign contemporaries

(b) **Rental income**	N'000	N'000	N'000	N'000
Ebute Meta property	21,226	8,434	21,226	8,434
Head Office	28,322	16,669	30,350	16,669
Zaria Kaduna	200	-	200	-
Oniru property	29,111	25,872	29,111	25,872
	71,257	50,975	80,887	50,975
Opening Prepaid rental income (Note 17(c))	(40,812)	(28,223)	(40,812)	(28,223)
Closing Prepaid rental income (Note 17(c))	40,938	40,812	40,938	40,812
Cash received during the year	71,382	63,564	81,013	63,564

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(c) Interest and similar income relates to interest and fee income earned by NEM Asset Management Company limited from its customers for providing asset management services.

	Group		Parent	
	2024	2023	2024	2023
35.2 Foreign exchange gains	N'000	N'000	N'000	N'000
Exchange gain on foreign denominated cash & cash	1,097,748	3,343,719	1,079,627	3,343,719
Exchange gain on Placements above 90 days(Note 4.3(d))	6,460,437	2,311,810	6,460,437	2,311,810
Exchange gain on Bond instruments (Note 4.3(a))	7,245,490	5,733,096	7,245,490	5,733,096
	14,803,675	11,388,625	14,785,554	11,388,625

(a) Foreign exchange gains arose majorly from retranslation of foreign denominated cash and cash equivalents, placements and bonds with financial institutions as at the reporting date. The company adopted the I&E NAFEX rate for all its foreign currency translation exercise.

36 Management Expenses	N'000	N'000	N'000	N'000
Employee benefit expenses (Note 36(a))	4,069,355	2,310,268	3,690,148	2,099,928
Other Management Expenses (Note 36(b))	2,181,765	1,586,415	2,022,519	1,458,170
Directors expenses emoluments	498,532	187,299	495,032	187,299
AGM expenses	50,239	49,564	50,239	49,564
NAICOM Levy	1,075,344	658,104	1,075,344	658,104
National Health Insurance Authority Levy	15,902	-	-	-
Auditors Remuneration (Note 38(a)and (b)	32,082	23,625	28,360	20,425
Depreciation of property, plant and equipment (Note 14)	365,669	298,264	321,804	275,676
Depreciation of Right-of-use Assets (Note 14(c)	216,673	152,254	224,169	152,254
Amortisation (Note 13)	17,519	13,361	13,207	11,522
	8,523,079	5,279,154	7,920,820	4,912,943

(a) Employee benefit expenses	N'000	N'000	N'000	N'000
Salaries and Wages	1,914,414	1,430,245	1,540,157	1,248,527
Medical Expenses	91,689	95,062	91,033	94,792
Staff Training	293,798	124,102	291,442	122,656
Staff Welfare	1,654,019	560,801	1,653,804	550,485
Employers' Pension Contribution	115,434	100,058	113,712	83,467
	4,069,355	2,310,268	3,690,148	2,099,928
Gratuity (Note 18)	-	-	-	-
	4,069,355	2,310,268	3,690,148	2,099,928
Gratuity paid	-	40,960	-	40,960
Cash paid to and on behalf of employees	4,069,355	2,351,228	3,690,148	2,140,888

(b) Other Management Expenses	N'000	N'000	N'000	N'000
Advertising	517,122	444,955	507,415	443,353
Bank charges	373,666	172,734	364,316	171,018
Business permit	1,175	1,073	1,175	1,073
Computer Expenses	50,974	35,457	45,476	35,416
Dailies and Subscription	280,619	151,663	278,389	150,084
Donations	46,240	23,529	46,240	23,529
ECOWAS Brown Card	57,074	6,137	57,074	6,137
Electricity expenses	102,859	42,681	101,387	42,681
Filing Fees	1,000	1,000	1,000	1,000
Fine & penalty (Note 36(d))	1,500	9,300	1,500	9,300
Generator Expenses	108,753	70,803	81,326	70,803
Insurance Expenses	106,864	80,570	100,158	74,274
Motor running expenses	56,820	23,047	45,897	21,088
Motor Repairs & Maintenance	45,661	37,055	41,346	34,671
Nigerian Insurers Association Levy	14,307	9,162	14,307	9,162
Office General Expenses	268,271	130,456	239,877	98,107
Postages & telephone	25,501	13,104	11,654	11,342
Rent, rates and other expenses (Note 8(a(ii))	53,853	44,429	53,853	44,429
Repairs & Maintenance	16,946	36,832	14,494	36,367
Staff loan written off (Note 8(c)(i))	-	150,637	-	150,637
Impairment allowance (Note 8(b)(i))	36,924	66,425	-	-
Other personnel expenses	-	12,085	-	12,085
Nigerian Social Insurance Trust Fund Levy	15,635	11,615	15,635	11,615
Other Expenses	-	11,666	-	-
	2,181,765	1,586,415	2,022,519	1,458,170

Notes To The Consolidated And Separate Financial Statements Cont'd

	Group 2024 N'000	Group 2023 N'000	Parent 2024 N'000	Parent 2023 N'000
(c) Expected credit loss expense				
Allowance for credit losses - Cash (Note 3(c))	218,074	19,074	217,263	19,074
Allowance for credit losses - Bonds (Note 4.3(g))	710,509	187,319	710,509	187,319
Allowance for credit losses - Placement above 90 days (Note 4.3(h))	67,096	(4,733)	67,096	(4,733)
Allowance for credit losses - Treasury bills(Note 4.3(i))	46,658	(2,011)	46,658	(2,011)
Allowance for credit losses - Commercial papers (Note 4.3(j))	8,092	13,668	8,092	13,668
	1,050,429	213,317	1,049,618	213,317

(d) Fine and penalty

Description	Group N'000	Group N'000	Parent N'000	Parent N'000
Fine to NAICOM on Non-rendition of 2023 annual AML/CFT/CPF employee training programme	-	1,000	-	1,000
Fine to NAICOM for violation of Paragraph 2.5.8 of market conduct guidelines	-	7,250	-	7,250
Fine to NAICOM for late Submission of Board resolution on approval	-	250	-	250
Penalty to NAICOM for the need to align the contents in the company's form L38	-	50	-	50
Fine to NAICOM for use of unregistered brokers & violation of INSP	-	500	-	500
Fine to NAICOM for Non-compliance QSPR 2012/Q1 (INSP)	-	250	-	250
Fine to NAICOM for violation of Paragraph 5.1.0 and 5.2.0 of market conduct guidelines	1,500	-	1,500	-
	1,500	9,300	1,500	9,300

37 Gain on disposal of Property, plant and equipment	N'000	N'000	N'000	N'000
Cost (Note 14(b))	(142,907)	(277,820)	(142,907)	(277,820)
Accumulated depreciation (Note 14(b))	118,567	276,658	118,567	276,658
Carrying amount	(24,340)	(1,162)	(24,340)	(1,162)
Sale proceeds	15,611	14,819	15,611	14,819
	(8,729)	13,657	(8,729)	13,657

38 Supplementary profit or loss information	N'000	N'000	N'000	N'000
(a) Profit before taxation is arrived at after charging:				
Depreciation (Note 14)	365,669	298,264	321,804	275,676
Amortisation (Note 13)	17,519	13,361	13,207	11,522
Auditors' fees (Note 36)	32,082	23,625	28,360	20,425
Profit/(Loss) on disposal of property, plant and equipment (Note 37)	(8,729)	13,657	(8,729)	13,657
Directors' emoluments (Note 36)	498,532	187,299	495,032	187,299
and after crediting:	N'000	N'000	N'000	N'000
Foreign exchange gain (Note 35(d))	14,803,675	11,388,625	14,785,554	11,388,625
Gain on investment properties (Note 34)	1,376,639	526,778	1,376,639	526,778

(b) KPMG Professional Services carried out the statutory audit of the financial statements and review of the Internal Control over Financial Reporting (ICOFR) of the Company. Asides from these, the Auditors did not provide any other non-audit services to the Company during the year (2023:statutory audit, ICOFR, and IFRS 17 certification).

(c) **Staff Costs**

The average number of employees (excluding Directors) in the financial year and staff costs were as follows:

	Number	Number	Number	Number
Managerial	17	13	15	11
Senior	74	134	69	126
Junior	181	95	134	75
	272	242	218	212

(d) **Employees Remunerated at Higher Rates**

The number of employees in receipt of emoluments excluding allowance and pension within the following ranges were:

N - N	Number	Number	Number	Number
2,000,001 - 2,500,000	6	12	-	7
2,500,001 - 3,000,000	14	4	6	3
3,000,001 - 3,500,000	4	1	-	-
3,500,001 - 4,000,000	5	7	3	7

Notes To The Consolidated And Separate Financial Statements Cont'd

N - N	Number	Number	Number	Number
4,000,001 - 5,500,000	61	62	45	57
5,500,001 - 6,500,000	38	60	33	52
6,500,001 - 7,500,000	1	-	-	-
7,500,001 - 8,500,000	33	-	28	-
8,500,001 - 9,500,000	20	15	19	15
9,500,001 - Above	90	81	84	71
	272	242	218	212

	Group		Parent	
(e) Chairman's and Directors' Emoluments	2024	2023	2024	2023
i Aggregate emoluments of the directors were:	N'000	N'000	N'000	N'000
Fees				
Chairman	7,500	7,500	7,500	7,500
Other Directors	54,000	54,000	54,000	54,000
	61,500	61,500	61,500	61,500
Other Directors expenses	253,998	125,172	253,998	125,172
	315,498	186,672	315,498	186,672

ii The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N - N	Number	Number	Number	Number
2,000,000 - 4,000,000	-	-	-	-
4,000,001 - 6,000,000	9	9	9	9
6,000,001 - 8,000,000	-	-	-	-
8,000,001 and Above	-	-	-	-
	9	9	9	9

The Highest paid Director earned N45,000,000 in 2024 (2023:N45,000,000)

39 Basic/Diluted earnings per ordinary share

N'000 N'000 N'000 N'000

Basic/Diluted earnings per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue and ranking for dividend.

	'000	'000	'000	'000
Net profit attributable to ordinary shareholders for basic and diluted EPS	=N=29,214,386	=N=13,020,855	=N=29,082,323	=N=13,254,576
Weighted average number of ordinary shares for EPS	5,016,477	5,016,477	5,016,477	5,016,477
Basic Earnings Per Share (kobo)	582	260	580	264
Diluted Basic Earnings Per Share (kobo)	582	260	580	264

(a) There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and date of completion of these financial statements.

40 Related party disclosures

(a) Parent

The Group is controlled by Nem Insurance Plc (incorporated in Nigeria) which is the parent company, and whose shares are widely held by the investing public.

(b) Subsidiaries

During the year, the Parent conducted transactions with its related Company and also with its subsidiary Company, Details of amount due from and to these related parties are as disclosed in Notes 9, 10 and 17(c)) to the financial statements. Lease financing transactions with related parties were carried out in the ordinary course of business and were on an arm's length basis. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

	N'000	N'000	N'000	N'000
Due to NEM Asset Management Company Limited	-	-	70,793	104,888
Due from Nem Asset Management Company Limited	-	-	3,719	21,690
Due From Nem Health Limited	-	-	213,576	53,576

(c) Transactions with key management personnel

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

(d) Short term Benefits (Board of Directors)

Fees:	N'000	N'000	N'000	N'000
Chairman	7,500	7,500	7,500	7,500
Other Directors	45,500	54,000	45,500	54,000
	53,000	61,500	53,000	61,500

Notes To The Consolidated And Separate Financial Statements Cont'd

		Group		Parent	
Other Emoluments:		N'000	N'000	N'000	N'000
Other Directors expenses		253,998	125,172	253,998	125,172
		306,998	186,672	306,998	186,672
Short term Benefits (Management Team)					
Salaries and Allowances:		446,501	317,183	400,138	270,820
Post Employment Benefits (Management Team)					
Pension		-	-	-	-
Total Benefits to Key Personnel		753,499	503,855	707,136	457,492

The directors' emoluments includes their official travelling expenses, flight travel tickets, life insurance premiums, medical expenses, and fuelling expenditures.

41 Cash flow from Operating activities		N'000	N'000	N'000	N'000
Operating profit before tax		33,698,653	18,877,855	33,520,419	19,178,721
Adjustment for non-operating items:					
Depreciation - Property, plant & equipment	14	365,669	298,264	321,804	275,676
Interest charged during the year	36	199,983	362,809	137,768	348,772
Depreciation - Right-of-use Assets	14	216,673	152,254	224,169	152,254
Amortisation - Intangible assets	13	17,519	13,361	13,207	11,522
Gain on disposal of property and equipment	37	8,729	(13,657)	8,729	(13,657)
Fair value gain on investment properties	11	(1,762,142)	(4,807,948)	(1,762,142)	(4,807,948)
Fair value gain on quoted investment	4.1(a)	(385,503)	(4,281,170)	(385,503)	(4,281,170)
Exchange gain	35a	(14,803,675)	(5,733,096)	(14,785,554)	(5,733,096)
Allowance for credit losses	36(c)	1,050,429	213,317	1,049,618	213,317
Staff loan written off		-	150,637	-	150,637
Impairment		-	66,425	-	-
Investment Income	33	(7,630,390)	(3,336,613)	(7,560,863)	(3,335,556)
Cash flow changes before changes in working capital		10,975,944	1,962,439	10,781,650	2,159,473
Changes in operating assets and liabilities					
Decrease/(increase) in Trade receivables		(820,947)	222,213	101,509	317,825
Increase in Reinsurance contract assets		(6,477,519)	39,661	(6,477,519)	39,661
(Increase)/decrease in Other receivables and prepayments		(1,002,914)	(1,852,495)	(504,691)	(1,641,610)
Increase in Insurance contract liabilities		17,044,840	10,611,558	15,995,711	10,423,681
Increase/(decrease) in Other Insurance Contract liabilities		(139,145)	369,853	(117,661)	296,374
Increase in Other payables		3,495,600	517,749	2,552,542	444,962
Net cash inflow from operating activities		23,075,859	11,870,978	22,331,541	12,040,366
Benefits paid (Note 18)		-	(40,960)	-	(40,960)
Tax paid	19(c)	(428,018)	(392,791)	(428,018)	(392,398)
		22,647,841	11,437,227	21,903,523	11,607,009

42 Capital Commitments

There were no material capital commitments at 31 December 2024 (2023: Nil).

43 Contingent liabilities

There were contingent liabilities in respect of legal actions against the Group, the monetary amount of which cannot be quantified. No provision has been made in these financial statements in respect of the legal actions as the directors, having taken legal advice, do not believe any material liability will eventually be borne by the Group.

44 Legal proceedings and regulations

(a) **Legal Proceedings**

The Parent operates in the insurance industry and is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

(b) **Regulations**

The Parent is also subject to insurance solvency regulations in all the territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Parent's compliance or lack of compliance with such regulations.

(c) The directors are of the opinion that the Parent will not incur any significant loss with respect to these claims and accordingly, no provision has been made in these Consolidated Financial Statements.

45 Events after the reporting date

The directors are not aware of any events which occurred since 31 December 2024 which may have material effect on the financial statements at that date or which may need to be mentioned in the financial statements in order not to make them misleading as to the operations or financial position at 31 December 2024.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

46 **Segment reporting**

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

(a) **Segments Report - Insurance Service Result per product**

Segment reporting (2024)	MOTOR N'000	MARINE N'000	FIRE N'000	GENERAL ACCIDENT N'000	OIL & GAS N'000	AGRICULTURE N'000	ENGINEERING N'000	BOND N'000	PARENT N'000	HEALTH N'000	GROUP N'000
Insurance revenue	24,519,765	12,263,224	16,683,026	6,058,577	30,858,872	83,321	5,167,349	1,010,382	**96,644,516**	1,322,025	**97,966,541**
Insurance service expenses:											
Incurred claims expenses	(9,066,002)	(3,828,183)	(7,016,316)	(3,274,010)	(5,463,280)	(27,732)	(1,826,000)	(28,478)	**(30,530,000)**	(793,813)	**(31,323,814)**
Changes that relate to past service-adjustment to LIC	347,167	(209,562)	797,300	308,477	(657,620)	2,591	391,058	51,127	**1,030,540**	-	**1,030,540**
Amortization of acquisition expenses	(6,522,808)	(4,242,968)	(5,976,313)	(2,129,728)	(9,637,331)	(23,695)	(1,919,826)	(374,361)	**(30,827,030)**	(88,098)	**(30,915,128)**
Losses/(reversal of losses onerous contracts	199,989	-	-	-	-	-	-	-	**199,989**	-	**199,989**
	(15,041,653)	(8,280,714)	(12,195,329)	(5,095,261)	(15,758,231)	(48,835)	(3,354,767)	(351,712)	**(60,126,501)**	(881,911)	**(61,008,412)**
Net Expenses on reinsurance contracts held											
Allocation of reinsurance premium	(10,864)	(2,100,603)	(4,228,942)	(1,603,726)	(20,862,262)	(22,278)	(1,270,667)	2,862	**(30,096,480)**	-	**(30,096,480)**
Recoveries of incurred claims and other attributable income	679,131	1,943,682	4,875,465	1,907,610	899,235	19,167	822,738	2,694	**11,149,722**	-	**11,149,722**
Changes that relate to past service-adjustment to ARIC	(314,663)	313,143	634,702	(54,171)	(184,638)	204	470,820	(24,166)	**841,231**	-	**841,231**
Recoveries/(reversal of recoveries) on onerous contracts	(33,014)	-	-	-	-	-	-	-	**(33,014)**	-	**(33,014)**
	320,591	156,221	1,281,224	249,713	(20,147,665)	(2,907)	22,891	(18,610)	**(18,138,541)**	-	**(18,138,541)**
Insurance service result	**9,798,702**	**4,138,731**	**5,768,922**	**1,213,029**	**(5,047,024)**	**31,579**	**1,835,474**	**640,061**	**18,379,475**	**440,114**	**18,819,588**
Insurance finance expenses from insurance contracts issued	(81,069)	(35,184)	(134,618)	(43,760)	(23,676)	(311)	(30,524)	(2,180)	**(351,320)**	-	**(351,320)**
Insurance finance Income from reinsurance contracts held	29,494	38,184	156,020	56,805	14,127	295	21,797	2,226	**318,947**	-	**318,947**
Total Financial result	**9,747,127**	**4,141,732**	**5,790,324**	**1,226,074**	**(5,056,573)**	**31,564**	**1,826,747**	**640,107**	**18,347,103**	**440,114**	**18,787,215**

Segment reporting (2023)

	MOTOR N'000	MARINE N'000	FIRE N'000	GENERAL ACCIDENT N'000	OIL & GAS N'000	AGRICULTURE N'000	ENGINEERING N'000	BOND N'000	PARENT N'000	HEALTH	GROUP N'000
Insurance revenue	16,309,055	4,459,975	11,583,953	4,769,538	10,932,219	82,539	3,123,932	732,785	**51,993,996**	118,438	**52,112,434**
Insurance service expenses:											
Incurred claims expenses	(6,887,804)	(1,287,194)	(3,123,973)	(1,746,150)	(494,511)	(18,554)	(1,254,391)	(119,021)	**(14,931,599)**	(97,559)	**(15,029,157)**
Amortization of acquisition expenses	(5,291,188)	(1,523,654)	(4,526,295)	(1,779,428)	(4,384,366)	(22,454)	(1,190,754)	(266,642)	**(18,984,780)**	(5,047)	**(18,989,827)**
Losses/(reversal of losses onerous contracts	(199,989)	-	-	-	-	-	-	-	**(199,989)**	-	**(199,989)**
	(12,378,981)	(2,810,848)	(7,650,268)	(3,525,579)	(4,878,877)	(41,009)	(2,445,145)	(385,662)	**(34,116,368)**	**(102,606)**	**(34,218,974)**
Net Expenses on reinsurance contracts held											
Allocation of reinsurance premium	(1,027)	(1,616,739)	(3,416,249)	(1,587,320)	(8,304,176)	(27,674)	(826,002)	(70,252)	**(15,849,440)**	-	**(15,849,440)**
Recoveries of incurred claims and other attributable income	(636,104)	1,085,832	1,245,993	586,597	62,411	12,441	621,179	42,602	**3,020,951**	-	**3,020,951**
Recoveries/(reversal of recoveries) on onerous contracts	33,014		-	-	-	-	-	-	**33,014**	-	**33,014**
	(604,116)	(530,907)	(2,170,257)	(1,000,723)	(8,241,765)	(15,232)	(204,823)	(27,650)	**(12,795,474)**	**-**	**(12,795,474)**
Insurance Service result	**3,325,958**	**1,118,220**	**1,763,428**	**243,236**	**(2,188,424)**	**26,298**	**473,964**	**319,473**	**5,082,154**	**15,832**	**5,097,986**
Insurance finance expenses from insurance contracts issued	(82,279)	(28,657)	(191,373)	(37,966)	(39,104)	(74)	(9,717)	(57)	**(389,227)**	-	**(389,227)**
Insurance finance Income from reinsurance contracts held	40,769	17,986	131,490	29,177	7,953	35	7,468	44	**234,922**	-	**234,922**
Total Financial result	**3,284,448**	**1,107,549**	**1,703,545**	**234,448**	**(2,219,575)**	**26,259**	**471,715**	**319,460**	**4,927,849**	**15,832**	**4,943,681**

Notes To The Consolidated And Separate Financial Statements Cont'd

(b) **Insurance Revenue**

2024	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contracts measured using PAA	24,519,765	12,263,224	16,683,026	6,058,577	30,858,873	83,321	5,167,349	1,010,382	96,644,517	1,322,025	97,966,542
Insurance contracts measured using GMM	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts measured using VFA	-	-	-	-	-	-	-	-	-	-	-
	24,519,765	12,263,224	16,683,026	6,058,577	30,858,873	83,321	5,167,349	1,010,382	96,644,517	1,322,025	97,966,542

Insurance Revenue

2023	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contracts measured using PAA	16,309,055	4,459,975	11,583,954	4,769,538	10,932,219	82,539	3,123,932	732,785	51,993,998	118,436	52,112,434
Insurance contracts measured using GMM	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts measured using VFA	-	-	-	-	-	-	-	-	-	-	-
	16,309,055	4,459,975	11,583,954	4,769,538	10,932,219	82,539	3,123,932	732,785	51,993,998	118,436	52,112,434

(c) **Insurance contract liabilities**

	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
2024	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities (excluding insurance acquisition and other prerecognition cashflow)	11,204,673	5,647,161	11,337,205	3,172,316	10,337,896	63,822	3,793,458	664,800	46,221,331	1,237,007	47,458,338
Insurance acquisition cashflows	(996,698)	(563,032)	(1,286,810)	(332,050)	(1,326,518)	(9,050)	(486,148)	(127,468)	(5,127,774)	-	(5,127,774)
Other pre-recognition cashflows	-	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	10,207,975	5,084,129	10,050,394	2,840,267	9,011,378	54,772	3,307,310	537,332	41,093,557	1,237,007	42,330,565

Insurance contract liabilities

	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
2023	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities (excluding insurance acquisition and other prerecognition cashflow)	8,934,077	2,038,341	7,300,967	2,121,418	5,204,290	63,686	1,995,342	417,220	28,075,341	187,878	28,263,219
Insurance acquisition cashflows	(836,747)	(216,137)	(796,584)	(201,585)	(571,206)	(8,536)	(274,294)	(72,406)	(2,977,494)	-	(2,977,494)
Other pre-recognition cashflows	-	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	8,097,330	1,822,204	6,504,383	1,919,833	4,633,085	55,150	1,721,048	344,814	25,097,847	187,878	25,285,725

(d) **Insurance contract liabilities**

2024	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Liability for remaining coverage	6,952,892	2,352,343	5,034,282	1,331,822	7,330,416	48,283	2,037,256	509,870	25,597,164	1,190,200	26,787,365
Liability for Incurred claim	3,255,083	2,731,786	5,016,112	1,508,445	1,680,962	6,489	1,270,054	27,462	15,496,393	46,807	15,543,200
	10,207,975	5,084,129	10,050,394	2,840,267	9,011,378	54,772	3,307,310	537,332	41,093,557	1,237,007	42,330,565

2023	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Liability for remaining coverage	6,044,617	931,329	3,095,764	811,800	4,033,582	47,288	948,171	289,625	16,202,176	183,054	16,385,229
Liability for Incurred claim	2,052,713	890,875	3,408,619	1,108,033	599,502	7,862	772,878	55,189	8,895,671	4,825	8,900,496
	8,097,330	1,822,204	6,504,383	1,919,833	4,633,085	55,150	1,721,048	344,814	25,097,847	187,878	25,285,725

Notes To The Consolidated And Separate Financial Statements Cont'd

(e) **Reinsurance contract assets**

2024	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets (excluding reinsurance deferred acquisition income cashflows, other prerecognition cashflows, and reinsurance payables)	811,395	2,016,512	5,774,849	1,777,846	5,711,386	22,918	1,064,222	30,572	17,209,701	-	17,209,701
Reinsurance deferred acquisition income cashflows	(252)	(190,767)	(493,057)	(220,230)	(482)	(3,756)	(176,715)	(6,892)	(1,092,151)	-	(1,092,151)
Other pre-recognition cashflows	-	-	-	-	-	-	-	-	-	-	-
Reinsurance payables	-		(206,990)	-	-	-	-	-	(206,990)	-	(206,990)
	811,143	**1,825,746**	**5,074,802**	**1,557,616**	**5,710,903**	**19,163**	**887,507**	**23,680**	**15,910,561**	**-**	**15,910,561**

Reinsurance contract assets

2023	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	PARENT	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets (excluding reinsurance deferred acquisition income cashflows, other prerecognition cashflows, and reinsurance payables)	450,860	878,282	3,077,049	1,207,064	3,735,554	24,276	470,411	133,782	9,977,277	-	9,977,277
Reinsurance deferred acquisition income cashflows	(330)	(81,334)	(223,789)	(111,903)	(39,788)	(4,024)	(44,799)	(38,269)	(544,236)	-	(544,236)
Other pre-recognition cashflows	-	-	-	-	-	-	-	-	-	-	-
Reinsurance payables	-	-	-	-	-	-	-	-	-	-	-
	450,530	**796,948**	**2,853,260**	**1,095,161**	**3,695,766**	**20,252**	**425,611**	**95,514**	**9,433,041**	**-**	**9,433,041**

(f) **Reinsurance contract Assets**

2024	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	TOTAL	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Asset for remaining coverage	1,089	639,062	1,647,930	580,531	4,782,875	15,023	518,184	15,913	**8,200,607**	-	**8,200,607**
Asset for incurred claims	810,054	1,186,684	3,426,872	977,085	928,029	4,140	369,323	7,767	**7,709,954**	-	**7,709,954**
	811,143	**1,825,746**	**5,074,802**	**1,557,616**	**5,710,903**	**19,163**	**887,507**	**23,680**	**15,910,561**	**-**	**15,910,561**

2023	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GAS	AGRICULTURE	ENGINEERING	BOND	TOTAL	HEALTH	GROUP
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Asset for remaining coverage	34,439	258,252	652,153	293,760	3,496,461	16,096	118,098	64,112	**4,933,370**	-	**4,933,370**
Asset for incurred claims	416,091	538,696	2,201,107	801,401	199,304	4,156	307,513	31,401	**4,499,670**	-	**4,499,670**
	450,530	**796,948**	**2,853,260**	**1,095,161**	**3,695,766**	**20,252**	**425,611**	**95,514**	**9,433,041**	**-**	**9,433,041**

Notes To The Consolidated And Separate Financial Statements Cont'd

(e) Reconciliation of Insurance contracts issued per product (Contracts measured under PAA)*
MOTOR

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	5,844,628	199,989	1,901,659	151,054	8,097,330	2,513,176	-	1,569,692	117,525	4,200,393
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**5,844,628**	**199,989**	**1,901,659**	**151,054**	**8,097,330**	**2,513,176**	**-**	**1,569,692**	**117,525**	**4,200,393**
Insurance Revenue	(24,519,765)	-	-	-	(24,519,765)	(16,309,055)	-	-	-	(16,309,055)
Insurance Service Expenses:										
Incurred claims	-	-	8,968,690	97,312	9,066,002	-	-	6,854,275	33,529	6,887,804
Changes that relate to past service-adjustment to LIC	-	-	(347,167)	-	(347,167)	-	-	-	-	-
Amortization of insurance acquisition cashflows	6,522,808	-	-	-	6,522,808	5,291,188	-	-	-	5,291,188
Losses and reversals of losses on onerous contracts	-	(199,989)	-	-	(199,989)	-	199,989	-	-	199,989
Total Gross Insurance Service result	**(17,996,957)**	**(199,989)**	**8,621,523**	**97,312**	**(9,478,112)**	**(11,017,868)**	**199,989**	**6,854,275**	**33,529**	**(3,930,074)**
Insurance finance expenses	-	-	81,069	-	81,069	-	-	82,279	-	82,279
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**81,069**	**-**	**81,069**	**-**	**-**	**82,279**	**-**	**82,279**
Total changes in the statement of profit or loss and other comprehensive income	**(17,996,957)**	**(199,989)**	**8,702,591**	**97,312**	**(9,397,043)**	**(11,017,868)**	**199,989**	**6,936,554**	**33,529**	**(3,847,795)**
Cash flows in the period:										
Premiums received (Note 5)	25,787,980	-	-	-	25,787,980	20,117,645	-	-	-	20,117,645
Insurance acquisition cash flows paid (Note 32.2a)	(3,228,856)	-	-	-	(3,228,856)	(5,768,325)	-	-	-	(5,768,325)
Claims paid (Note 31(a))	-	-	(7,802,685)	-	(7,802,685)	-	-	(6,604,588)	-	(6,604,588)
Maintenance cost paid (Note 32.2b)	(3,453,903)	-	-	-	(3,453,903)	-	-	-	-	-
Cash received from salvages (Note 31(c))	-	-	205,152	-	205,152	-	-	-	-	-
Net cash flow	**19,105,221**	**-**	**(7,597,533)**	**-**	**14,756,439**	**14,349,320**	**-**	**(6,604,588)**	**-**	**7,744,732**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**6,952,892**	**-**	**3,006,717**	**248,366**	**13,456,726**	**5,844,628**	**199,989**	**1,901,659**	**151,054**	**8,097,330**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**6,952,892**	**-**	**3,006,717**	**248,366**	**13,456,726**	**5,844,628**	**199,989**	**1,901,659**	**151,054**	**8,097,330**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

MARINE

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	931,329	-	825,317	65,558	1,822,204	702,516	-	834,040	50,932	1,587,488
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**931,329**	**-**	**825,317**	**65,558**	**1,822,204**	**702,516**	**-**	**834,040**	**50,932**	**1,587,488**
Insurance Revenue	(12,263,224)	-	-	-	(12,263,224)	(4,459,975)	-	-	-	(4,459,975)
Insurance Service Expenses:										
Incurred claims	-	-	3,685,303	142,881	3,828,183	-	-	1,272,568	14,626	1,287,194
Changes that relate to past service-adjustment to LIC	-	-	209,562	-	209,562	-	-	-	-	-
Amortization of insurance acquisition cashflows	4,242,968	-	-	-	4,242,968	1,523,655	-	-	-	1,523,655
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(8,020,255)**	**-**	**3,894,865**	**142,881**	**(3,982,510)**	**(2,936,320)**	**-**	**1,272,568**	**14,626**	**(1,649,126)**
Insurance finance expenses	-	-	35,184	-	35,184	-	-	28,657	-	28,657
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**35,184**	**-**	**35,184**	**-**	**-**	**28,657**	**-**	**28,657**
Total changes in the statement of profit or loss and other comprehensive income	**(8,020,255)**	**-**	**3,930,048**	**142,881**	**(3,947,326)**	**(2,936,320)**	**-**	**1,301,225**	**14,626**	**(1,620,469)**
Cash flows in the period:										
Premiums received	14,031,133	-	-	-	14,031,133	4,738,962	-	-	-	4,738,962
Insurance acquisition cash flows paid	(2,710,609)	-	-	-	(2,710,609)	(1,573,830)	-	-	-	(1,573,830)
Claims paid	-	-	(2,295,322)	-	(2,295,322)	-	-	(1,309,948)	-	(1,309,948)
Maintenance cost paid	(1,879,254)	-	-	-	(1,879,254)	-	-	-	-	-
Cash received from salvages	-	-	63,304	-	63,304	-	-	-	-	-
Net cash flow	**9,441,269**	**-**	**(2,232,018)**	**-**	**9,025,202**	**3,165,133**	**-**	**(1,309,948)**	**-**	**1,855,185**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**2,352,343**	**-**	**2,523,348**	**208,439**	**6,900,079**	**931,329**	**-**	**825,317**	**65,558**	**1,822,204**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**2,352,343**	**-**	**2,523,348**	**208,439**	**6,900,079**	**931,329**	**-**	**825,317**	**65,558**	**1,822,204**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

FIRE

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	3,095,764	-	3,157,786	250,833	6,504,383	1,599,781	-	3,055,325	159,345	4,814,451
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**3,095,764**	**-**	**3,157,786**	**250,833**	**6,504,383**	**1,599,781**	**-**	**3,055,325**	**159,345**	**4,814,451**
Insurance Revenue	(16,683,026)	-	-	-	(16,683,026)	(11,583,953)	-	-	-	(11,583,953)
Insurance Service Expenses:										
Incurred claims	-	-	6,884,414	131,902	7,016,316	-	-	3,032,483	91,488	3,123,971
Changes that relate to past service-adjustment to LIC	-	-	(797,300)	-	(797,300)	-	-	-	-	-
Amortization of insurance acquisition cashflows	5,976,313	-	-	-	5,976,313	4,526,295	-	-	-	4,526,295
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(10,706,713)**	**-**	**6,087,114**	**131,902**	**(4,487,697)**	**(7,057,659)**	**-**	**3,032,483**	**91,488**	**(3,933,688)**
Insurance finance expenses	-	-	134,618	-	134,618	-	-	191,373	-	191,373
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**134,618**	**-**	**134,618**	**-**	**-**	**191,373**	**-**	**191,373**
Total changes in the statement of profit or loss and other comprehensive income	**(10,706,713)**	**-**	**6,221,731**	**131,902**	**(4,353,080)**	**(7,057,659)**	**-**	**3,223,856**	**91,488**	**(3,742,315)**
Cash flows in the period:										
Premiums received	19,111,771	-	-	-	19,111,771	13,464,145	-	-	-	13,464,145
Insurance acquisition cash flows paid	(3,906,812)	-	-	-	(3,906,812)	(4,910,504)	-	-	-	(4,910,504)
Claims paid	-	-	(5,299,463)	-	(5,299,463)	-	-	(3,121,395)	-	(3,121,395)
Maintenance cost paid	(2,559,728)	-	-	-	(2,559,728)	-	-	-	-	-
Cash received from salvages	-	-	553,323	-	553,323	-	-	-	-	-
Net cash flow	**12,645,231**	**-**	**(4,746,140)**	**-**	**9,905,496**	**8,553,641**	**-**	**(3,121,395)**	**-**	**5,432,246**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	5,034,282	-	4,633,377	382,735	12,056,799	3,095,764	-	3,157,786	250,833	6,504,383
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	5,034,282	-	4,633,377	382,735	12,056,799	3,095,764	-	3,157,786	250,833	6,504,383

Notes To **The Consolidated And Separate Financial Statements** Cont'd

GENERAL ACCIDENT

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	811,800	-	1,026,495	81,538	1,919,833	584,805	-	1,117,894	82,531	1,785,230
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**811,800**	**-**	**1,026,495**	**81,538**	**1,919,833**	**584,805**	**-**	**1,117,894**	**82,531**	**1,785,230**
Insurance Revenue	(6,058,577)	-	-	-	(6,058,577)	(4,769,538)	-	-	-	(4,769,538)
Insurance Service Expenses:										
Incurred claims	-	-	3,240,452	33,558	3,274,010	-	-	1,747,144	(993)	1,746,150
Changes that relate to past service-adjustment to LIC	-	-	(308,477)	-	(308,477)	-	-	-	-	-
Amortization of insurance acquisition cashflows	2,129,728	-	-	-	2,129,728	1,779,428	-	-	-	1,779,428
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(3,928,848)**	**-**	**2,931,974**	**33,558**	**(963,316)**	**(2,990,109)**	**-**	**1,747,144**	**(993)**	**(1,243,959)**
Insurance finance expenses	-	-	43,760	-	43,760	-	-	37,966	-	37,966
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**43,760**	**-**	**43,760**	**-**	**-**	**37,966**	**-**	**37,966**
Total changes in the statement of profit or loss and other comprehensive income	**(3,928,848)**	**-**	**2,975,734**	**33,558**	**(919,556)**	**(2,990,109)**	**-**	**1,785,109**	**(993)**	**(1,205,993)**
Cash flows in the period:					-					-
Premiums received	6,709,064	-	-	-	6,709,064	5,053,009	-	-	-	5,053,009
Insurance acquisition cash flows paid	(1,361,618)	-	-	-	(1,361,618)	(1,835,905)	-	-	-	(1,835,905)
Claims paid	-	-	(2,733,580)	-	(2,733,580)	-	-	(1,876,508)	-	(1,876,508)
Maintenance cost paid	(898,576)	-	-	-	(898,576)	-	-	-	-	-
Cash received from salvages	-	-	124,699	-	124,699	-	-	-	-	-
Net cash flow	**4,448,870**	**-**	**(2,608,881)**	**-**	**1,839,989**	**3,217,104**	**-**	**(1,876,508)**	**-**	**1,340,596**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**1,331,822**	**-**	**1,393,348**	**115,096**	**2,840,267**	**811,800**	**-**	**1,026,495**	**81,538**	**1,919,833**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**1,331,822**	**-**	**1,393,348**	**115,096**	**2,840,267**	**811,800**	**-**	**1,026,495**	**81,538**	**1,919,833**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

OIL & GAS

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	4,033,582	-	555,386	44,116	4,633,085	377,573	-	513,888	44,397	935,858
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**4,033,582**	**-**	**555,386**	**44,116**	**4,633,085**	**377,573**	**-**	**513,888**	**44,397**	**935,858**
Insurance Revenue	(30,858,872)	-	-	-	(30,858,872)	(10,932,219)	-	-	-	(10,932,219)
Insurance Service Expenses:										
Incurred claims	-	-	5,379,137	84,143	5,463,280	-	-	494,792	(281)	494,511
Changes that relate to past service-adjustment to LIC	-	-	657,620	-	657,620	-	-	-	-	-
Amortization of insurance acquisition cashflows	9,637,331	-	-	-	9,637,331	4,384,366	-	-	-	4,384,366
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(21,221,541)**	**-**	**6,036,756**	**84,143**	**(15,100,641)**	**(6,547,853)**	**-**	**494,792**	**(281)**	**(6,053,341)**
Insurance finance expenses	-	-	23,676	-	23,676	-	-	39,104	-	39,104
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**23,676**	**-**	**23,676**	**-**	**-**	**39,104**	**-**	**39,104**
Total changes in the statement of profit or loss and other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flows in the period:										
Premiums received	34,911,018	-	-	-	34,911,018	15,054,932	-	-	-	15,054,932
Insurance acquisition cash flows paid	(5,716,850)	-	-	-	(5,716,850)	(4,851,069)	-	-	-	(4,851,069)
Claims paid	-	-	(5,083,117)	-	(5,083,117)	-	-	(492,398)	-	(492,398)
Maintenance cost paid	(4,675,794)	-	-	-	(4,675,794)	-	-	-	-	-
Cash received from salvages	-	-	20,000	-	20,000	-	-	-	-	-
Net cash flow	**24,518,375**	**-**	**(5,063,117)**	**-**	**19,455,258**	**10,203,863**	**-**	**(492,398)**	**-**	**9,711,464**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**7,330,416**	**-**	**1,552,703**	**128,259**	**9,011,378**	**4,033,582**	**-**	**555,386**	**44,116**	**4,633,085**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**7,330,416**	**-**	**1,552,703**	**128,259**	**9,011,378**	**4,033,582**	**-**	**555,386**	**44,116**	**4,633,085**

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AGRICULTURE

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	47,288	-	7,284	579	55,150	64,232	-	1,093	85	65,410
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**47,288**	**-**	**7,284**	**579**	**55,150**	**64,232**	**-**	**1,093**	**85**	**65,410**
Insurance Revenue	(83,321)	-	-	-	(83,321)	(82,539)	-	-	-	(82,539)
Insurance Service Expenses:										
Incurred claims	-	-	27,815	(83)	27,732	-	-	18,061	494	18,554
Changes that relate to past service-adjustment to LIC	-	-	(2,591)	-	(2,591)	-	-	-	-	-
Amortization of insurance acquisition cashflows	23,695	-	-	-	23,695	22,454	-	-	-	22,454
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(59,627)**	**-**	**25,224**	**(83)**	**(34,486)**	**(60,085)**	**-**	**18,061**	**494**	**(41,531)**
Insurance finance expenses	-	-	311	-	311	-	-	74	-	74
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**311**	**-**	**311**	**-**	**-**	**74**	**-**	**74**
Total changes in the statement of profit or loss and other comprehensive income	**(59,627)**	**-**	**25,534**	**(83)**	**(34,176)**	**(60,085)**	**-**	**18,135**	**494**	**(41,457)**
Cash flows in the period:										
Premiums received	84,830	-	-	-	84,830	62,913	-	-	-	62,913
Insurance acquisition cash flows paid	(12,847)	-	-	-	(12,847)	(19,772)	-	-	-	(19,772)
Claims paid	-	-	(26,824)	-	(26,824)	-	-	(11,944)	-	(11,944)
Maintenance cost paid	(11,362)	-	-	-	(11,362)	-	-	-	-	-
Cash received from salvages	-	-	-	-	-	-	-	-	-	-
Net cash flow	**60,622**	**-**	**(26,824)**	**-**	**33,797**	**43,141**	**-**	**(11,944)**	**-**	**31,198**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**48,283**	**-**	**5,994**	**495**	**54,772**	**47,288**	**-**	**7,284**	**579**	**55,150**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**48,283**	**-**	**5,994**	**495**	**54,772**	**47,288**	**-**	**7,284**	**579**	**55,150**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

ENGINEERING

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	948,171	-	716,003	56,874	1,721,048	695,564	-	286,124	21,124	1,002,812
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**948,171**	**-**	**716,003**	**56,874**	**1,721,048**	**695,564**	**-**	**286,124**	**21,124**	**1,002,812**
Insurance Revenue	(5,167,349)	-	-	-	(5,167,349)	(3,123,932)	-	-	-	(3,123,932)
Insurance Service Expenses:					-					-
Incurred claims	-	-	1,785,967	40,032	1,826,000	-	-	1,218,640	35,751	1,254,391
Changes that relate to past service-adjustment to LIC	-	-	(391,058)	-	(391,058)	-	-	-	-	-
Amortization of insurance acquisition cashflows	1,919,826	-	-	-	1,919,826	1,190,754	-	-	-	1,190,754
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(3,247,524)**	**-**	**1,394,909**	**40,032**	**(1,812,583)**	**(1,933,178)**	**-**	**1,218,640**	**35,751**	**(678,787)**
Insurance finance expenses	-	-	30,524	-	30,524	-	-	9,717	-	9,717
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**30,524**	**-**	**30,524**	**-**	**-**	**9,717**	**-**	**9,717**
Total changes in the statement of profit or loss and other comprehensive income	**(3,247,524)**	**-**	**1,425,432**	**40,032**	**(1,782,059)**	**(1,933,178)**	**-**	**1,228,358**	**35,751**	**(669,070)**
Cash flows in the period:										
Premiums received	5,916,413	-	-	-	5,916,413	3,472,794	-	-	-	3,472,794
Insurance acquisition cash flows paid	(1,265,352)	-	-	-	(1,265,352)	(1,287,009)	-		-	(1,287,009)
Claims paid	-	-	(992,470)	-	(992,470)	-	-	(798,478)	-	(798,478)
Maintenance cost paid	(866,328)	-	-	-	(866,328)	-	-	-	-	-
Cash received from salvages	-	-	24,181	-	24,181	-	-	-	-	-
Net cash flow	**3,784,733**	**-**	**(968,289)**	**-**	**2,816,445**	**2,185,785**	**-**	**(798,478)**	**-**	**1,387,306**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	653,385	-	-	-	653,385	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	(101,509)	-	-	-	(101,509)	-	-	-	-	-
Non-Cash flow items	551,876	-	-	-	551,876	-	-	-	-	-
Insurance contract liabilities, as at December 31	**2,037,256**	**-**	**1,173,147**	**96,907**	**3,307,310**	**948,171**	**-**	**716,003**	**56,874**	**1,721,048**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**2,037,256**	**-**	**1,173,147**	**96,907**	**3,307,310**	**948,171**	**-**	**716,003**	**56,874**	**1,721,048**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

BOND

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	289,625	-	51,128	4,061	344,814	280,718	-	1,680	124	282,522
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**289,625**	**-**	**51,128**	**4,061**	**344,814**	**280,718**	**-**	**1,680**	**124**	**282,522**
Insurance Revenue	(1,010,382)	-	-	-	(1,010,382)	(732,785)	-	-	-	(732,785)
Insurance Service Expenses:										
Incurred claims	-	-	30,444	(1,966)	28,478	-	-	115,083	3,937	119,021
Changes that relate to past service-adjustment to LIC	-	-	(51,127)	-	(51,127)	-	-	-	-	-
Amortization of insurance acquisition cashflows	374,361	-	-	-	374,361	266,642	-	-	-	266,642
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(636,021)**	**-**	**(20,684)**	**(1,966)**	**(658,670)**	**(466,144)**	**-**	**115,083**	**3,937**	**(347,123)**
Insurance finance expenses	-	-	2,180	-	2,180	-	-	57	-	57
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**2,180**	**-**	**2,180**	**-**	**-**	**57**	**-**	**57**
Total changes in the statement of profit or loss and other comprehensive income	**(636,021)**	**-**	**(18,504)**	**(1,966)**	**(656,491)**	**(466,144)**	**-**	**115,140**	**3,937**	**(347,066)**
Cash flows in the period:										
Premiums received	1,285,689	-	-	-	1,285,689	743,919	-	-	-	743,919
Insurance acquisition cash flows paid	(257,224)	-	-	-	(257,224)	(268,868)	-	-	-	(268,868)
Claims paid	-	-	(7,793)	-	(7,793)	-	-	(65,693)	-	(65,693)
Maintenance cost paid	(172,198)	-	-	-	(172,198)	-	-	-	-	-
Cash received from salvages	-	-	536	-	536	-	-	-	-	-
Net cash flow	**856,267**	**-**	**(7,257)**	**-**	849,009	**475,051**	**-**	**(65,693)**	**-**	409,357
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	-	-	-	-	-	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	-	-	-	-	-	-	-	-	-	-
Non-Cash flow items	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities, as at December 31	**509,870**	**-**	**25,367**	**2,095**	**537,332**	**289,625**	**-**	**51,128**	**4,061**	**344,814**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**509,870**	**-**	**25,367**	**2,095**	**537,332**	**289,625**	**-**	**51,128**	**4,061**	**344,814**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Health

	2024					2023				
	Liability for remaining coverage		Liability for Incurred claims			Liability for remaining coverage		Liability for Incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Insurance contract liabilities as at January 1	183,054	-	4,825	-	187,878	-	-	-	-	-
Insurance contract assets as of January 1	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as of January 1	**183,054**	**-**	**4,825**	**-**	**187,878**	**-**	**-**	**-**	**-**	**-**
Insurance Revenue	(1,322,025)	-	-	-	(1,322,025)	(118,436)	-	-	-	(118,436)
Insurance Service Expenses:										
Incurred claims	-	-	793,813	-	793,813	-	-	97,559	-	97,559
Changes that relate to past service-adjustment to LIC	-	-	-	-	-	-	-	-	-	-
Amortization of insurance acquisition cashflows	88,098	-	-	-	88,098	5,047	-	-	-	5,047
Losses and reversals of losses on onerous contracts	-	-	-	-	-	-	-	-	-	-
Total Gross Insurance Service result	**(1,233,927)**	**-**	**793,813**	**-**	**(440,114)**	**(113,389)**	**-**	**97,559**	**-**	**(15,830)**
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Insurance finance (income) expenses (Changes in discount rates)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and other comprehensive income	**(1,233,927)**	**-**	**793,813**	**-**	**(440,114)**	**(113,389)**	**-**	**97,559**	**-**	**(15,830)**
Cash flows in the period:										
Premiums received	1,333,235	-	-	-	1,333,235	301,490	-	-	-	301,490
Insurance acquisition cash flows paid	(88,098)	-	-	-	(88,098)	(5,047)	-	-	-	(5,047)
Claims paid	-	-	(751,831)	-	(751,831)	-	-	(92,734)	-	(92,734)
Maintenance cost paid	-	-	-	-	-	-	-	-	-	-
Cash received from salvages	-	-	-	-	-	-	-	-	-	-
Net cash flow	**1,245,137**	**-**	**(751,831)**	**-**	**493,306**	**296,442**	**-**	**(92,734)**	**-**	**203,708**
Items in the SOFP (non-cash flow items):										
Premium deposits on policies initially recognized during the year	73,480	-	-	-	73,480	-	-	-	-	-
Impact of premium receivables on policies recognized during the year	922,456	-	-	-	922,456	-	-	-	-	-
Non-Cash flow items	995,936	-	-	-	995,936	-	-	-	-	-
Insurance contract liabilities, as at December 31	**1,190,200**	**-**	**46,807**	**-**	**241,071**	**183,054**	**-**	**4,825**	**-**	**187,878**
Insurance contract assets as at December 31	-	-	-	-	-	-	-	-	-	-
Net Insurance Contracts as at December 31	**1,190,200**	**-**	**46,807**	**-**	**1,237,007**	**183,054**	**-**	**4,825**	**-**	**187,878**

****All the Group's insurance contracts issued are measured using the Premium Allocation approach***

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(f) Reconciliation of Reinsurance contracts held per product (Contracts measured under PAA)*

MOTOR	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	1,424	33,014	385,472	30,619	450,530	279	-	963,692	47,734	1,011,705
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**1,424**	**33,014**	**385,472**	**30,619**	**450,530**	**279**	**-**	**963,692**	**47,734**	**1,011,705**
Allocation of reinsurance premium	(10,864)	-	-	-	(10,864)	(1,027)	-	-	-	(1,027)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	647,943	31,189	679,131	-	-	(618,989)	(17,114)	(636,104)
Changes that relate to past service-adjustment to ARIC	-	-	(314,663)	-	(314,663)	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	(33,014)	-	-	(33,014)	-	33,014	-	-	33,014
	(10,864)	**(33,014)**	**333,280**	**31,189**	320,591	**(1,027)**	**33,014**	**(618,989)**	**(17,114)**	(604,116)
Insurance Finance Income	-	-	29,494	-	29,494	-	-	40,769	-	40,769
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**29,494**	**-**	**29,494**	**-**	**-**	**40,769**	**-**	**40,769**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	10,528	-	-	-	10,528	2,172	-	-	-	2,172
Amounts received under reinsurance contracts held	-	-	-	-	-	-	-	-	-	-
Net cash flow	**10,528**	**-**	**-**	**-**	**10,528**	**2,172**	**-**	**-**	**-**	**2,172**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**10,528**	**-**	**-**	**-**	**10,528**	**2,172**	**-**	**-**	**-**	**(2,723,155)**
Reinsurance contracts assets as of December 31,	1,089	-	748,245	61,808	811,143	1,424	33,014	385,472	30,619	450,530
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	1,089	**-**	**748,245**	**61,808**	**811,143**	**1,424**	**33,014**	**385,472**	**30,619**	**450,530**

MARINE	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	258,252	-	499,054	39,642	796,948	188,257	-	1,017,790	32,080	1,238,127
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**258,252**	**-**	**499,054**	**39,642**	**796,948**	**188,257**	**-**	**1,017,790**	**32,080**	**1,238,127**
Allocation of reinsurance premium	(2,100,603)				(2,100,603)	(1,616,739)				(1,616,739)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	1,892,778	50,904	1,943,682	-	-	1,078,271	7,561	1,085,832
Changes that relate to past service-adjustment to ARIC	-	-	313,143	-	313,143	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(2,100,603)	**-**	**2,205,921**	**50,904**	156,221	**(1,616,739)**	**-**	**1,078,271**	**7,561**	(530,907)
Insurance Finance Income	-	-	38,184	-	38,184	-	-	17,986	-	17,986
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**38,184**	**-**	**38,184**	**-**	**-**	**17,986**	**-**	**17,986**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	2,481,413	-	-	-	2,481,413	1,686,734	-	-	-	1,686,734
Amounts received under reinsurance contracts held	-	-	(1,647,021)	-	(1,647,021)	-	-	(1,614,992)	-	(1,614,992)
Net cash flow	**2,481,413**	**-**	**(1,647,021)**	**-**	**834,392**	**1,686,734**	**-**	**(1,614,992)**	**-**	**71,742**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**2,481,413**	**-**	**(1,647,021)**	**-**	**834,392**	**1,686,734**	**-**	**(1,614,992)**	**-**	**(2,653,586)**
Reinsurance contracts assets as of December 31,	639,062	-	1,096,138	90,545	1,825,746	258,252	-	499,054	39,642	796,948
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	639,062	**-**	**1,096,138**	**90,545**	**1,825,746**	**258,252**	**-**	**499,054**	**39,642**	**796,948**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

FIRE

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	652,153	-	2,039,132	161,975	2,853,260	647,225	-	3,409,974	138,978	4,196,177
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**652,153**	**-**	**2,039,132**	**161,975**	**2,853,260**	**647,225**	**-**	**3,409,974**	**138,978**	**4,196,177**
Allocation of reinsurance premium	(4,228,942)	-	-	-	(4,228,942)	(3,416,249)	-	-	-	(3,416,249)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	4,775,965	99,500	4,875,465	-	-	1,222,996	22,997	1,245,993
Changes that relate to past service-adjustment to ARIC	-	-	634,702	-	-	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(4,228,942)	**-**	**5,410,667**	**99,500**	**1,281,224**	**(3,416,249)**	**-**	**1,222,996**	**22,997**	**(2,170,257)**
Insurance Finance Income	-	-	156,020	-	156,020	-	-	131,490	-	131,490
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**156,020**	**-**	**156,020**	**-**	**-**	**131,490**	**-**	**131,490**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	5,355,235	-	-	-	5,355,235	3,421,177	-	-	-	3,421,177
Amounts received under reinsurance contracts held	-	-	(4,440,420)	-	(4,440,420)	-	-	(2,725,328)	-	(2,725,328)
Cash flow	**5,355,235**	**-**	**(4,440,420)**	**-**	**914,814**	**3,421,177**	**-**	**(2,725,328)**	**-**	**695,850**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	(130,516)	-	-	-	(130,516)	-	-	-	-	(2,725,328)
Net cash-flow	**5,224,719**	**-**	**(4,440,420)**	**-**	**784,298**	**3,421,177**	**-**	**(2,725,328)**	**-**	**(2,029,478)**
Reinsurance contracts assets as of December 31,	**1,647,930**	**-**	**3,165,398**	**261,474**	**5,074,802**	**652,153**	**-**	**2,039,132**	**161,975**	**2,853,260**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	1,647,930	**-**	**3,165,398**	**261,474**	**5,074,802**	**652,153**	**-**	**2,039,132**	**161,975**	**2,853,260**

GENERAL ACCIDENT

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	293,760	-	742,427	58,973	1,095,161	445,643	-	1,450,321	52,379	1,948,344
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**293,760**	**-**	**742,427**	**58,973**	**1,095,161**	**445,643**	**-**	**1,450,321**	**52,379**	**1,948,344**
Allocation of reinsurance premium	(1,603,726)	-	-	-	(1,603,726)	(1,587,320)	-	-	-	(1,587,320)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	1,892,031	15,579	1,907,610	-	-	580,003	6,594	586,597
Changes that relate to past service-adjustment to ARIC	-	-	(54,171)	-	(54,171)	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(1,603,726)	**-**	**1,837,860**	**15,579**	**249,713**	**(1,587,320)**	**-**	**580,003**	**6,594**	**(1,000,723)**
Insurance Finance Income	-	-	56,805	-	56,805	-	-	29,177	-	29,177
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**56,805**	**-**	**56,805**	**-**	**-**	**29,177**	**-**	**29,177**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	1,890,497	-	-	-	1,890,497	1,435,437	-	-	-	1,435,437
Amounts received under reinsurance contracts held	-	-	(1,734,560)	-	(1,734,560)	-	-	(1,317,074)	-	(1,317,074)
Net cash flow	**1,890,497**	**-**	**(1,734,560)**	**-**	**155,937**	**1,435,437**	**-**	**(1,317,074)**	**-**	**118,363**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**1,890,497**	**-**	**(1,734,560)**	**-**	**155,937**	**1,435,437**	**-**	**(1,317,074)**	**-**	**(2,606,965)**
Reinsurance contracts assets as of December 31,	**580,531**	**-**	**902,532**	**74,553**	**1,557,616**	**293,760**	**-**	**742,427**	**58,973**	**1,095,161**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	580,531	**-**	**902,532**	**74,553**	**1,557,616**	**293,760**	**-**	**742,427**	**58,973**	**1,095,161**

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OIL & GAS

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	3,496,461	-	184,638	14,666	3,695,766	431,358	-	121,856	7,085	560,299
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**3,496,461**	**-**	**184,638**	**14,666**	**3,695,766**	**431,358**	**-**	**121,856**	**7,085**	**560,299**
Allocation of reinsurance premium	(20,862,262)	-	-	-	(20,862,262)	(8,304,177)	-	-	-	(8,304,177)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	843,092	56,143	899,235	-	-	54,829	7,581	62,411
Changes that relate to past service-adjustment to ARIC	-	-	(184,638)	-	(184,638)	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(20,862,262)	**-**	**658,454**	**56,143**	**(20,147,665)**	**(8,304,177)**	**-**	**54,829**	**7,581**	**(8,241,766)**
Insurance Finance Income	-	-	14,127	-	14,127	-	-	7,953	-	7,953
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**14,127**	**-**	**14,127**	**-**	**-**	**7,953**	**-**	**7,953**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	22,148,676	-	-	-	22,148,676	11,369,280	-	-	-	11,369,280
Amounts received under reinsurance contracts held	-	-	-	-	-	-	-	-	-	-
Net cash flow	**22,148,676**	**-**	**-**	**-**	**22,148,676**	**11,369,280**	**-**	**-**	**-**	**11,369,280**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**22,148,676**	**-**	**-**	**-**	**22,148,676**	**11,369,280**	**-**	**-**	**-**	**8,643,953**
Reinsurance contracts assets as of December 31,	**4,782,875**	**-**	**857,219**	**70,810**	**5,710,903**	**3,496,461**	**-**	**184,638**	**14,666**	**3,695,766**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	4,782,875	**-**	**857,219**	**70,810**	**5,710,903**	**3,496,461**	**-**	**184,638**	**14,666**	**3,695,766**

AGRICULTURE

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	16,096	-	3,850	306	20,252	23,764	-	516	31	24,310
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**16,096**	**-**	**3,850**	**306**	**20,252**	**23,764**	**-**	**516**	**31**	**24,310**
Allocation of reinsurance premium	(22,278)	-	-	-	(22,278)	(27,674)	-	-	-	(27,674)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	19,157	10	19,167	-	-	12,166	275	12,441
Changes that relate to past service-adjustment to ARIC	-	-	204	-	-	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(22,278)	**-**	**19,361**	**10**	**(2,907)**	**(27,674)**	**-**	**12,166**	**275**	**(15,232)**
Insurance Finance Income	-	-	295	-	295	-	-	35	-	35
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**295**	**-**	**295**	**-**	**-**	**35**	**-**	**35**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	21,205				21,205	20,006				20,006
Amounts received under reinsurance contracts held			(19,682)		(19,682)			(8,866)		(8,866)
Net cash flow	**21,205**	**-**	**(19,682)**	**-**	**1,522**	**20,006**	**-**	**(8,866)**	**-**	**11,139**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**21,205**	**-**	**(19,682)**	**-**	**1,522**	**20,006**	**-**	**(8,866)**	**-**	**(2,714,188)**
Reinsurance contracts assets as of December 31,	**15,023**	**-**	**3,824**	**316**	**19,162**	**16,096**	**-**	**3,850**	**306**	**20,252**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	15,023	**-**	**3,824**	**316**	**19,162**	**16,096**	**-**	**3,850**	**306**	**20,252**

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ENGINEERING

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	118,098	-	284,884	22,629	425,611	103,924	-	371,208	13,406	488,539
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**118,098**	**-**	**284,884**	**22,629**	**425,611**	**103,924**	**-**	**371,208**	**13,406**	**488,539**
Allocation of reinsurance premium	(1,270,667)	-	-	-	(1,270,667)	(826,002)	-	-	-	(826,002)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	817,187	5,551	822,738	-	-	611,956	9,223	621,179
Changes that relate to past service-adjustment to ARIC	-	-	470,820	-	470,820	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	(1,270,667)	**-**	**1,288,008**	**5,551**	**22,891**	**(826,002)**	**-**	**611,956**	**9,223**	**(204,823)**
Insurance Finance Income	-	-	21,797	-	21,797	-	-	7,468	-	7,468
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**21,797**	**-**	**21,797**	**-**	**-**	**7,468**	**-**	**7,468**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	1,670,753	-	-	-	1,670,753	840,176	-	-	-	840,176
Amounts received under reinsurance contracts held	-	-	(1,253,545)	-	(1,253,545)	-	-	(705,749)	-	(705,749)
Net cash flow	**1,670,753**	**-**	**(1,253,545)**	**-**	**417,208**	**840,176**	**-**	**(705,749)**	**-**	**134,427**
Non-cashflows in the period										
Impact of reinsurance premium payable	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**1,670,753**	**-**	**(1,253,545)**	**-**	**417,208**	**840,176**	**-**	**(705,749)**	**-**	**(2,590,901)**
Reinsurance contracts assets as of December 31,	**518,184**	**-**	**341,143**	**28,180**	**887,507**	**118,098**	**-**	**284,884**	**22,629**	**425,611**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	518,184	**-**	**341,143**	**28,180**	**887,507**	**118,098**	**-**	**284,884**	**22,629**	**425,611**

BOND

	2024					2023				
	Assets for remaining coverage		Asset for incurred claims			Assets for remaining coverage		Asset for incurred claims		
	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000	Non-loss component N'000	Loss component N'000	PV of Future cashflows N'000	Risk adjustment N'000	Total N'000
Reinsurance contract assets as of January 1	64,112	-	29,091	2,311	95,514	2,943	-	2,180	79	5,202
Reinsurance contract liabilities as of January 1,	-	-	-	-	-	-	-	-	-	-
Net Reinsurance contracts as of January 1,	**64,112**	**-**	**29,091**	**2,311**	**95,514**	**2,943**	**-**	**2,180**	**79**	**5,202**
Allocation of reinsurance premium	2,862	-	-	-	2,862	(70,252)	-	-	-	(70,252)
Effect of changes in the risk of reinsurance non-performance	-	-	-	-	-	-	-	-	-	-
Amounts recovered from reinsurance:										
Recoveries of incurred claims and other attributable income	-	-	4,413	(1,718)	2,694	-	-	40,370	2,232	42,602
Changes that relate to past service-adjustment to ARIC	-	-	(24,166)	-	-	-	-	-	-	-
Recoveries and reversals of recoveries on onerous contracts	-	-	-	-	-	-	-	-	-	-
	2,862	**-**	**(19,754)**	**(1,718)**	**(18,610)**	**(70,252)**	**-**	**40,370**	**2,232**	**(27,650)**
Insurance Finance Income	-	-	2,226	-	2,226	-	-	44	-	44
Insurance finance reserve (changes in discount rate)	-	-	-	-	-	-	-	-	-	-
	-	**-**	**2,226**	**-**	**2,226**	**-**	**-**	**44**	**-**	**44**
Cash flows in the period:										
Reinsurance premiums paid net of commission received	(51,061)	-	-	-	(51,061)	131,421	-	-	-	131,421
Amounts received under reinsurance contracts held	-	-	(4,388)	-	(4,388)	-	-	(13,504)	-	(13,504)
Net cash flow	**(51,061)**	**-**	**(4,388)**	**-**	**(55,450)**	**131,421**	**-**	**(13,504)**	**-**	**117,918**
Non-cashflows in the period										
Impact of reinsurance premium payable at the beginning	-	-	-	-	-	-	-	-	-	(2,725,328)
Net cash-flow	**(51,061)**	**-**	**(4,388)**	**-**	**(55,450)**	**131,421**	**-**	**(13,504)**	**-**	**(2,607,410)**
Reinsurance contracts assets as of December 31,	**15,913**	**-**	**7,175**	**593**	**23,680**	**64,112**	**-**	**29,091**	**2,311**	**95,514**
Reinsurance contract liabilities as of December 31,	-	-	-	-	-	-	-	-	-	-
	15,913	**-**	**7,175**	**593**	**23,680**	**64,112**	**-**	**29,091**	**2,311**	**95,514**

All the Group's Reinsurance contracts issued are measured using the Premium Allocation approach

Notes To **The Consolidated And Separate Financial Statements** Cont'd

47 Claim Development Table

Extracts from EY Nigeria Limited Valuation Report

47.1 Data Reconciliation

As part of our verification process, we have reconciled the gross written premium and the claims paid in the technical data, with the figures indicated in the financial accounts. We illustrate both set of figures below.

(a) **Claims Data**

Class of Business	Gross Claims Paid Data N'000	Gross Claims Paid Account N'000	Percentage Difference
Fire	5,299,463	5,299,463	0%
General Accident	2,733,580	2,733,580	0%
Engineering	992,470	992,470	0%
Bond	7,793	7,793	0%
Marine	2,295,322	2,295,322	0%
Motor	7,802,685	7,802,685	0%
Oil & gas	5,083,117	5,083,117	0%
Agriculture	26,824	26,824	0%
Total	24,241,254	24,241,254	0%

(b) **Premium Data**

Class of Business	Gross Premium Written Data N'000	Gross Premium Written Account N'000	Percentage Difference
Fire	19,111,771	19,111,771	0%
General Accident	6,709,064	6,709,064	0%
Engineering	6,468,289	6,468,289	0%
Bond	1,285,689	1,285,689	0%
Marine	14,031,133	14,031,133	0%
Motor	25,787,980	25,787,980	0%
Oil & gas	34,911,018	34,911,018	0%
Agriculture	84,830	84,830	0%
Total	108,389,774	108,389,774	

(c) **Comments on Claims Data**

The claims data was divided into six risk groups - (Marine, Motor, Fire, General Accident, Engineering, Bond, Agriculture and Oil & Gas) in accordance with the Nigerian Insurance Act 2003.

(d) **Business Trend**

We illustrate in the table below, the Gross Written Premium as at 31 December 2024 and 2023 respectively. All lines of business experienced increases and there was an overall increase in GWP by 20%.

Class of Business	Gross Premium Written Data 2024 N'000	Gross Premium Written Data 2023 N'000	Percentage Difference
Fire	19,111,771	13,464,145	42%
General Accident	6,709,064	5,053,009	33%
Engineering	6,468,289	3,472,794	86%
Bond	1,285,689	743,919	73%
Marine	14,031,133	4,738,962	196%
Motor	25,787,980	20,117,645	28%
Oil & gas	34,911,018	15,054,932	132%
Agriculture	84,830	62,913	35%
Total	108,389,774	62,708,320	73%

Notes To The Consolidated And Separate Financial Statements Cont'd

47.2 Valuation Methodology

We describe in this section the methods used for calculating Premium and Claim Reserve.

(a) Liability for Remaining Coverage (LRC)

i Our reserves consist of Advance Premium (AP), Unexpired Risk Reserve (URR), Deferred Acquisition Cost (DAC) and Additional Unexpired Risk Reserve(AURR), which are all described in section 2.

ii We adopted the 365th (time apportionment) method. Each policy's unexpired insurance period (UP) was calculated as the exact number of days of insurance cover available after the valuation date. The UPR is calculated as the premium *(UP)/ full policy duration.

iii Each policy's URR= AP* Assumed Loss Ratio. Typically, the Advanced Premium is expected to cover the unexpired risk. Where the unexpired risk exceeds the advanced premium then the portfolio is considered onerous, and a loss component is held as described in section 2.

(b) Claims Reserves

The claim reserves comprise of:

i Outstanding Claims Reported (OCR)
ii Incurred But Not Reported (IBNR)

(c) Reserving method

We present the methodologies that were used in calculating for the IBNR reserves:

i Inflation Adjusted Basic Chain Ladder Method (IABCL)
ii Bornhuetter-Ferguson Approach
iii Loss Ratio
iv Frequency and Severity Method

47.3 Valuation Results

(a) Inflation Adjusted Chain Ladder Method - Result table

Discounted Inflation Adjusted Basic Chain Ladder Method

Class of Business	LIC N'000	ARIC N'000	Net N'000
General Accident	1,393,349	(902,533)	490,816
Fire	4,633,377	(3,165,398)	1,467,979
Marine	2,523,348	(1,096,138)	1,427,209
Motor	3,006,717	(748,245)	2,258,472
Agriculture*	5,994	(3,824)	2,170
Oil and Gas*	1,552,703	(857,219)	695,484
Engineering	1,173,147	(341,144)	832,004
Bond*	25,366	(7,175)	18,192
Total	**14,314,000**	**(7,121,675)**	**7,192,325**
Accounts (Outstanding Claims)	**5,316,093**	**(3,043,972)**	**2,271,838**
Risk Adjustment	**1,182,394**	**(588,279)**	**594,115**
Difference (IBNR)	**7,815,514**	**(3,489,425)**	**4,326,372**

* Estimated using Expected loss ratio method and discounted

Notes To The Consolidated And Separate Financial Statements Cont'd

(b) LIC Table

Class of Business	LIC(PVFCF) N'000	LIC(RA) N'000	LIC N'000
General Accident	1,393,349	115,096	1,508,445
Fire	4,633,377	382,735	5,016,112
Marine	2,523,348	208,439	2,731,786
Motor	3,006,717	248,367	3,255,084
Agriculture	5,994	495	6,489
Oil and Gas	1,552,703	128,259	1,680,962
Engineering	1,173,147	96,907	1,270,054
Bond	25,366	2,095	27,462
Total	14,314,000	1,182,394	15,496,394

(c) Amount Recoverable for incurred Claims Table

Class of Business	ARIC(PVFCF) N'000	ARIC(RA) N'000	ARIC N'000
General Accident	902,533	74,553	977,086
Fire	3,165,398	261,474	3,426,872
Marine	1,096,138	90,545	1,186,684
Motor	748,245	61,808	810,054
Agriculture	3,824	316	4,140
Oil and Gas	857,219	70,810	928,029
Engineering	341,144	28,180	369,323
Bond	7,175	593	7,767
Total	7,121,675	588,279	7,709,954

(d) Liability for Remaining Coverage(Gross and Reinsurance LRC)-Result Table

Class of Business	LRC N'000	ARC N'000	NET N'000
General Accident	1,331,822	580,531	751,291
Fire	5,034,282	1,647,930	3,179,362
Marine	2,352,343	639,062	1,713,281
Motor	6,952,892	1,089	6,951,803
Agriculture	48,283	15,023	33,261
Oil and Gas	7,330,416	4,782,875	2,547,541
Engineering	2,037,256	518,184	1,519,072
Bond	509,870	15,913	493,957
Total	25,597,164	8,200,607	17,189,568

(e) Liability for Remaining Coverage-Loss component

We derived our expense ratio as the directly attributable expense ratio for the current year using the information provided by NEM Insurance Plc. The Claims Ratio was estimated based on the average of the projected ultimate loss ratios over a four-year period for each line on business and further adjusted to account for a 8.3% risk adjustment factor. To derive the Loss Recovery Component (LRC), recovery ratios estimated as an average over the same years for the claims ratios was applied to the Loss Component (LC).

Gross Table

Class of Business	Claims Ratio	Combined Ratio	LRC(LC) N'000
General Accident	43%	87%	-
Fire	46%	92%	-
Marine	35%	79%	-
Motor	51%	85%	-
Agriculture	25%	61%	-
Oil and Gas	12%	53%	-
Engineering	39%	88%	-
Bond	5%	54%	-
			-

Notes To The Consolidated And Separate Financial Statements Cont'd

Reinsurance Table

Class of Business	Recovery ratio	ARC(LC) N'000
General Accident	62%	-
Fire	51%	-
Marine	69%	-
Motor	16%	-
Agriculture	48%	-
Oil and Gas	34%	-
Engineering	21%	-
Bond	81%	-
		-

47.4 Conclusion

We are adopting the reserves from the Inflation Adjusted Discounted Chain Ladder method in this report. This method as indicated earlier

i - anticipates that total claim payments may be exposed to future inflationary pressures

ii - recognises that reserves should represent the present value and timing of future claim payments

Technical Reserves

We are reporting Gross Reserves of N41.1 billion and Reinsurance Contract Assets of N15.9 billion as shown in the table below. Our estimates meet the Liability Adequacy Test.

Reserves	Gross N'000	Reinsurance Contract Assets N'000	Net N'000
Incurred Claims	15,496,394	(7,709,954)	7,786,440
Remaining Coverage(Excluding Loss component)	25,597,164	(8,200,607)	17,396,557
Remaining Coverage(Loss component)	-	-	-
Total	41,093,558	(15,910,561)	25,182,997

Notes To The Consolidated And Separate Financial Statements Cont'd

47.5 **Estimates of undiscounted gross cumulative claims**

The table below illustrates how estimates of cumulative claims for the Group's non life segment have developed over time on a gross and net of reinsurance basis.

Each table shows how the Group's estimates of total claims for each accident year have developed over time.

Gross of reinsurance

In thousands of Naira	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
At end of Accident year	2,216,216	2,650,326	2,251,791	4,543,481	4,516,012	4,570,064	5,608,038	8,000,643	7,848,680	13,981,006	**56,186,257**
One year later	3,408,279	5,028,489	3,287,175	7,136,395	6,931,070	8,401,388	7,978,616	13,739,071	14,999,413	-	**70,909,896**
Two years Later	3,625,974	5,103,979	3,449,439	7,900,774	7,799,422	10,075,818	8,861,239	14,829,826	-	-	**61,646,471**
Three years Later	3,953,828	5,154,002	3,951,306	8,563,095	7,918,095	10,326,964	9,900,919	-	-	-	**49,768,209**
Four years Later	3,985,943	5,214,827	4,281,181	8,647,100	8,001,865	10,788,290	-	-	-	-	**40,919,206**
Five years Later	3,996,275	5,403,265	4,287,059	8,839,123	8,086,460	-	-	-	-	-	**30,612,182**
Six years Later	4,080,936	5,405,931	4,300,135	9,313,503	-	-	-	-	-	-	**23,100,505**
Seven years Later	4,080,936	5,878,126	4,308,362	-	-	-	-	-	-	-	**14,267,424**
Eight years Later	4,084,014	5,881,526	-	-	-	-	-	-	-	-	**9,965,540**
Nine years Later	4,095,243	-	-	-	-	-	-	-	-	-	**4,095,243**

Net of reinsurance

In thousands of Naira	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
At end of Accident year	1,120,841	2,044,177	1,545,396	3,191,440	2,674,134	4,008,747	2,949,595	3,231,309	5,239,971	8,919,973	**34,925,583**
One year later	1,485,908	2,512,406	1,104,121	3,629,491	4,719,081	5,194,815	3,257,335	6,879,979	8,255,102	-	**37,038,238**
Two years Later	1,541,634	2,441,819	715,578	4,215,550	4,926,687	6,193,361	4,094,895	7,184,076	-	-	**31,313,600**
Three years Later	1,800,285	2,452,032	690,116	4,268,206	4,883,026	5,347,334	5,064,750	-	-	-	**24,505,749**
Four years Later	1,784,355	2,512,857	50,994	4,310,044	4,809,760	5,763,711	-	-	-	-	**19,231,721**
Five years Later	1,768,248	2,552,630	(794,847)	4,272,179	4,878,409	-	-	-	-	-	**12,676,619**
Six years Later	1,782,609	2,454,367	(1,632,630)	4,739,785	-	-	-	-	-	-	**7,344,131**
Seven years Later	1,756,169	2,825,529	(1,624,403)	-	-	-	-	-	-	-	**2,957,295**
Eight years Later	1,732,807	2,828,928	-	-	-	-	-	-	-	-	**4,561,735**
Nine years Later	1,744,036	-	-	-	-	-	-	-	-	-	**1,744,036**

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48 Financial Risk Management Policy
Management of insurance and financial risk

NEM Insurance Plc issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Company manages them.

48.1 Insurance risk

The risk, under any insurance contract, is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company manages its insurance risk by means of established internal procedures that include underwriting authority levels, pricing policy, approved reinsurers list and monitoring.

NEM is exposed to underwriting risk through the insurance contracts that are underwritten. The risks within the underwriting risk category are associated with both the perils covered by the specific lines of insurance including General Accident, Motor, Fire, Marine and Aviation, Oil and Gas and Miscellaneous insurance, as well as the specific processes associated with the conduct of the insurance business. The various subsets of underwriting risks are listed below;

i **Underwriting Process Risk:** risk from exposure to financial losses related to the selection and acceptance of risks to be insured.

ii **Mispricing Risk:** risk that insurance premiums will be too low to cover the Company's expenses related to underwriting, claims, claims handling and administration.

iii **Individual risk:** This includes the identification of the risk inherent in an insured property (movable or unmovable), we shall ensure surveys are performed and reviewed as at when due and that risks are adequately priced.

iv **Claims Risk (for each peril):** Risk that many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses to the Company. The underwriting risk assessment shall also determine the likelihood of a claim arising from an insured risk by considering various factors and probabilities, determined by information obtained from the insured party, historical information on similar risks and available external data.

v **Concentration risk (including geographical risk):** This includes identification of the concentration of risks insured by NEM. NEM utilizes data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business. The assessment of the concentration risk is consistent with the overall risk appetite as established by the Company.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Underwriting Risk Appetite

- The following statements amongst others shall underpin NEM's underwriting risk appetite:
- We do not underwrite risks which we do not understand;
- We are cautious in underwriting unquantifiable risks;
- We are extremely cautious in underwriting risk observed to poorly managed at proposal state e.g. those with low safety standards, shoddy construction or businesses with excessively high risk profile;
- We carefully evaluate businesses or opportunities that could create systemic risk exposures i.e. incidents of multiple claims occurring from one event e.g. natural catastrophe risks, and risks dependent on the macroeconomic environment);
- We consider all applicable regulatory guidelines while carrying out our underwriting activities;
- We established and adhere to internal standards for co-insurance, reinsurance transactions;
- We exercise extreme caution when underwriting discrete (one-off) risks, particularly where we do not have the requisite experience or know-how;
- Where the broker has inadequate knowledge of the trade of the client or the class of business, we exercise caution in taking on such risks into our books;
- We exercise extreme prudence and caution when dealing with clients with financial difficulties or poor payment records; and with transient clients who change insurers regularly; and
- We ensure compliance with NAICOM's guideline on KYC for consistency.

48.2 Underwriting Strategy

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Any risks exceeding the underwriting limits require Head Office approval. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

48.3 Products and Services

NEM Insurance Plc is presently operating as a non-life insurance company and we have a wide range of insurance products and services that are tailored to meet the specific needs of the company's clients. Insurance contracts are issued on an annual contract either directly to the customer or through accredited insurance brokers and agents. Premiums from brokers and agents are payable within 30 days, whereas from direct customers immediately. The following is a broad spectrum of the products and services the company is offering:

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Fire/Extraneous Perils Policy

This type of policy will provide indemnity to the insured in the event of loss or damage to property covered under it as a direct result of fire outbreak, lightning or explosion. Other extraneous perils such as social disturbances like strike and riot, and natural disasters like storm damage, flood and earthquake can also be covered by an extension of the standard scope of the cover. The items to be insured are usually made up of the following:

a) Buildings
b) Office Furniture, Electrical & Electronic Equipment
c) Plant and Machinery
d) Stock of Raw Materials and finished goods
e) Loss of Annual Rent for alternative accommodation.

The policy also contains various other extensions that are granted at no extra cost to the policyholder. The replacement cost of the items to be insured will have to be supplied to us for assessment to facilitate quotation of the premium payable.

Consequential Loss Policy

This type of policy, often referred to as "business interruption insurance" is designed to indemnify the insured against loss of productive capacity or future earning power which may occur as a result of loss or damage to the premises and property insured under the Fire/Extraneous Perils in 1 above. This policy is normally taken out in conjunction with the Fire Policy so that when the latter pays for the material damage to property insured under it, this will pick up the intangible loss that will flow from the primary loss of the Fire perils. The items usually covered under this policy are as follows:

a)Gross Profit
b)Salary and Wages
c)Auditor's fees

The sum insured to be indicated against the items of Gross Profit should represent the difference in turnover and the total of standing and variable charges. The sum insured on Salary and Wages will be that which is required to maintain some key staff pending resumption of business while the sum insured on Auditor's Fees will represent charges that any firm of accountants will make in preparing papers for insurance claim.

Burglary/Housebreaking Policy

This type of policy is designed to indemnify the insured against loss or damage resulting from theft or attempted theft which is accompanied by actual forcible or violent entry into or out of the premises or any attempt theft. The items usually covered under this policy are similar to those under the Fire/Extraneous Perils policy above with the exception of Buildings and Loss of Rent. The replacement cost of the relative items would have to be supplied to enable us submit our quotation.

Fidelity Guarantee Policy

This is a form of policy that protects an organization against loss of money or valuable stock as a result of dishonesty or fraudulent activity of employees. It is possible to grant cover on named basis, positions basis or on a blanket basis. In any of these cases, the number of persons and the limit of guarantee any one loss would be advised as well as aggregate amount of guarantee in a given year. Once we have this information, we would be in a position to quote for premium payable.

Notes To The Consolidated And Separate Financial Statements Cont'd

Public Liability Policy

This policy also covers the insured against legal liability to third party for cost and expenses incurred in respect of accidental death, bodily injury and accidental damage to property occurring within the insured's premises or at work-away premises. The vicarious liability of the insured's employee can also be covered provided it arose in the course of carrying out his official duties. The Company usually require the insured to indicate the limit of cover required to enable her advise the premium payable.

Money Policy

This is another type of All Risks policy which is designed to cover any fortuitous event that could result in the loss of cash while in the course of transit either to or from the bank. The cover will also operate while the money is on the premises of the insured and while in a securely locked safe. The policy can also be extended to cover cash in the personal custody of selected management staff.

Goods in Transit Policy

This is also an "All Risks" policy covering goods being carried from one location to another. Any loss not specifically excluded under the policy is covered and the insurance is suitable for any organization that is engaged in movement of goods either by road or rail and the cover will operate when the goods are being conveyed by the insured's owned or hired vehicles. Losses arising from Fire and Theft are covered under this policy.

Group Personal Accident Policy

This type of policy is designed to foster the welfare of employees as well as reduce the financial constrain that an organization could undergo in the event of death or bodily injury to a member of staff arising as a result of any injury sustained through accidental, violent, external and visible means. The policy provides a world-wide cover on 24 hours basis and benefits payable in respect of Death and Permanent Disability are usually expressed as multiple of salaries. Cover also extends to pay weekly benefit in the event of temporary total disability resulting from bodily injury to the insured person as well as certain allowance for expenses incurred on medical treatment as a result of accidental injury. Death or injuries from natural causes are however not covered.

Motor Insurance Policy

This class of insurance is made compulsory by Government through the legislation known as the Motor Vehicle (Third Party) Insurance Act of 1945. Third Party Only cover which is the minimum type of insurance legislated upon provides indemnity to policyholder against legal liability to Third Parties for death, bodily injury and property damage.

The most popular type of cover under this policy is comprehensive insurance which, in addition to the cover provided under the Third Party Only, will also indemnify the policyholder for loss or damage to the vehicle resulting from road accident, fire and theft. The premium payable for the various forms of cover under this policy is regulated by a statistical table of rate known as "tariff" which is approved by Government.

Marine Policies

CARGO: The policy issued here is to provide indemnity for loss or damage to imported goods being conveyed by sea or air. The All Risks type of cover known as Clauses "A" provides indemnity to the insured in the event of total or partial loss of the goods while the restricted cover known as Clauses "C" would provide indemnity in the event of total loss only. To enable us determine the premium payable in this regard, we would require information on the nature and value of goods being imported as well as the type of cover required.

Notes To The Consolidated And Separate Financial Statements Cont'd

HULL: This type of policy is issued on vessels and yachts to provide indemnity for any loss, damage or liability that may arise from their use. The scope of cover provided is either an "all risks" or "total loss only" while the policy usually carries a deductible of about 10% of the value of the vessel or yacht.

Aviation Policy

This policy provides comprehensive cover against loss or damage to insured aircraft while operating anywhere in the world. Cover also extends to include the operator's legal liability to Third Parties for death, bodily injury and property damage. Liability to passengers is also covered up to a certain limit selected. In order to ensure full protection for our clients, we reinsure as much as 90% of this type of risk in the London Aviation Market through one of our overseas associates. The essence of this arrangement is to obviate the problem of absorption in the Nigerian Market which has limited capacity for Aviation Insurance and also to afford our clients the opportunity of having a dollar/sterling based insurance policy.

Machinery Breakdown Policy

This policy is designed to cover any damage to a plant or equipment while working or at rest, or being dismantled for the purpose of cleaning, repairing or overhauling. In the same vein, boiler and pressure vessels can be covered under a separate but similar policy.

Electronic Equipment Policy

This policy is designed to cover any loss or damage that could result while any computer and or equipment insured is working or at rest. The cover under this policy also extends to include loss or damage to external data media such as diskettes and tapes containing processed information while such are kept within the premises. The increase in cost of working, as a result of damage to the main computer equipment, is also covered and indemnity is provided for alternative means of carrying on operation. With payment of an additional premium, this policy can be extended to cover the risk of theft.

Energy Risks

The policies on offer in this area have been specifically developed to take advantage of the insurance opportunities created by the Nigerian Content Policy. The Nigerian content policy is aimed at utilizing Nigerian human and material resources in creating values in the country through all contracts awarded in the Oil and Gas industry and the Power sector of the economy. NEM Insurance Plc has carved a niche as the Leader in provision of Oil & Gas and Energy Insurance in Nigeria.

- Our focus is on the following areas:
- Upstream Risks which includes Construction/Erection All Risks, Operators Extra Expense Insurance, Property Insurance and General Third Party Liability Insurance.
- Downstream Risks which include the downstream properties (Refineries and Petrochemical plants, Onshore pipelines, Oil tank farm, Gas processing plants, Pumping and Metering stations, Gas turbines and Boilers, Damage to Asset and other related downstream sector risks.
- Power, Solid Mineral and Other special products.

Notes To The Consolidated And Separate Financial Statements Cont'd

The above products have been packaged for marketing to the public sector as well as various manufacturing, industrial and commercial concerns. Financial institutions such as banks, mortgage and stock broking firms are also being offered these products. Our Company is innovative in approach and we specialize in packaging policies in line with the needs of the various segments of the economy. NEM Insurance Plc also provides comprehensive risk management services. The Company carries out various risk surveys and make appropriate recommendations towards risk improvement and minimization of loss impacts.

Approach to Management of Underwriting Risks

The Company's underwriting risk shall be managed by adhering to policies, principles and guidelines spelt out in the Annual Underwriting Plan.

Where the broker has inadequate knowledge of the trade of the client or the class of business and the client not willing to disclose such information, the Company shall exercise caution in taking on such risks.

The Company shall exercise extreme prudence and caution when dealing with clients with financial difficulties or poor payment records; and with transient clients who change insurers regularly; and The Company shall ensure compliance with the National Insurance Commission's guidelines on "Know Your Customer" (KYC) requirement to get enough information about the transaction.

The Company carries out timely pre-loss inspection/survey exercise of risks, preferably before commencement of cover but not later than 48 hours after commencement of risks.

We limit acceptance of risks to a more convenient value/share while spreading excess through co-insurance or facultative basis. We ensure application/introduction/review of policy terms and conditions including clauses/warranties that will deal with areas of concern which will at the end of the day make the risk worthy of being in the Company's portfolio.

Risk Acceptance Rules

The Company shall follow the provisions (terms and conditions) of the reinsurance treaties that were arranged for the classes of insurance that any risk offered for insurance falls under in deciding whether to accept the risk or not. This shall be the case on all cases where the sum insured of the risk is more than the Company's retention as contained and evidenced by the treaty cover notes.

For any risk that Reinsurance Treaty could not be arranged for, acceptance of such risks shall be limited to any limit set by the Company for such risks at the beginning of each year and shown in the underwriting plan.

Marine Insurance Risks

No Marine insurance risk (Hull or Cargo), Marine Cargo or any other special risks of different nature but relating to Marine Insurance e.g. Marine Cargo Insurance export, shall be accepted without clarification from the Heads of Technical, Energy and Branch Operations Departments. The Company shall not accept Marine Cargo business in respect of fish head risks whether as import or export. Where it must be covered for any reason, cover shall be limited to ICC "C" and on rate of premium of a minimum of 0.20%.

Notes To The Consolidated And Separate Financial Statements Cont'd

Aviation Risks

No Aviation risk, Marine Hull risk, Marine Cargo export and any other special risks of different nature shall be accepted without clarification from the Heads of Technical, Energy and Branch Operations Departments.

48.4 Approaches to Risk Mitigation

Generally, we shall apply any of the following four (4) approaches to risk mitigations:

a) **Risk Termination (Avoidance)**
Under the risk termination approach, we will take measures to avoid risks that are outside our risk appetite, not aligned to our strategy or offer rewards that are unattractive when compared to the risk undertaken. Specifically, we will discontinue activities that generate these risks, such as divesting from certain geographical markets, product lines or businesses. Generally, we will utilise this approach for high-risk events that remain unacceptably high even after we have applied controls.

b) **Risk Treatment (Reduction)**
Under the risk treatment approach, we would accept the risks inherent in our transactions, but shall take measures, through our system of internal controls, to reduce the likelihood and/or impact of these risks. Generally, we would utilise this approach for risks that occur frequently and have low impact. Some of the measures we shall take under this approach may include formulating or enhancing policies, defining boundaries and authority limits, assigning accountabilities and measuring performance, improving processes, strengthening existing controls or implementing new controls and continuing education and training.

c) **Risk Transfer (Sharing)**
Under the risk transfer approach, we would accept the risks inherent in our transactions, but shall take measures to transfer whole or portions of the risk to an independent counterparty. Specifically, we shall transfer our risks to an independent counterparty such as co-insurance and reinsurance companies by utilising contracts and arrangements. We will retain accountability for the outsourced risk and that outsourcing does not eliminate risk but only changes our risk profile. The relevant business units shall be responsible for identifying and incorporating the risks arising from such risk transfer arrangements in their risk registers. The business units shall also be responsible for managing the resultant risks and reviewing the risk transfer arrangement to ensure that it is still capable of mitigating the initial risk.

d) **Risk Tolerance (Acceptance)**
Under the risk tolerance approach, we would accept the risks inherent in our transactions and would not take any action to change the likelihood and/or impact of the risks. We shall adopt this approach where the risk is low and the cost of further managing the risk exceeds the potential benefit should the risk crystallize.

e) **Reinsurance Treaty Cover**
We have arranged very adequate reinsurance treaties to enable us accommodate risks with high necessary support in the event of large claims. Our treaties are arranged by UAIB RE and placed with a consortium of reputable reinsurance companies.

The types of re-insurance on NEM Treaty are:
1) Quota share
2) Surplus
3) Excess of loss

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1. Quota share

This is the simplest type of Re-insurance whereby a Reinsurer agrees to reinsure a fixed proportion of every risk accepted by the ceding Company, sharing proportionately in all losses and receiving in the same proportion of all direct net premium, less the agreed reinsurance commission.

2. Surplus

Under this arrangement the ceding Company can retain a risk up to the level of its agreed Retention amount. The proportion of the risk which is beyond the Retention amount is then ceded into the Surplus treaty and reinsurer receives a proportionate share of the premium, less reinsurance commission.

3. Excess of Loss

This arrangement protects the ceding Company against a loss where the ceding Company's claims liability exceeds its retention.

Concentration of insurance risk

The Company monitors concentrations of insurance risk by product and sector. An analysis of concentrations of insurance risk at 31 December 2024 and 2023 for premium received is set out below:

(a) By product

	2024 N'000	2023 N'000
Motor business	25,787,980	20,117,645
Fire & Property	19,663,647	13,464,145
Marine & Aviation	14,031,133	4,738,962
General Accident	6,709,064	5,053,009
Energy business	34,911,018	15,054,932
Agriculture	84,830	62,913
Engineering	5,916,413	3,472,794
Bond	1,285,689	743,919
	108,389,774	62,708,320

(b) By sector	N'000	N'000
Energy	38,184,813	22,091,618
Financial Services	24,466,812	14,155,142
IT/Telecoms & Other Corp.	18,431,791	10,663,613
Manufacturing	19,797,109	11,453,511
Retail	7,509,250	4,344,436
	108,389,774	62,708,320

49 Financial risk management

NEM Insurance Plc operates in a highly complex and competitive environment driven by the need to meet all claim obligations, maximize returns to shareholders and comply with all statutory and regulatory requirements. The Company is in the business of managing risks for public and private entities as well as individuals. In the ordinary course of its business activities, the Company is exposed to a variety of financial risks, including currency risk, liquidity risk, credit risk, country risk and market risk as well as operational and compliance risks.

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Risk is the level of exposure to opportunity, threat and uncertainty – that should be identified, understood, measured and effectively managed, in the course of executing the Company's business strategies. In terms of opportunity, we see risk in relation to returns in that the greater the risk, the greater the potential return. We therefore manage risk by using several methods to maximize the positive aspects within the constraints of our risk appetite and business environment.

In terms of threat, we see risk as the potential for the occurrence of negative events such as financial loss, fraud, damage to reputation or public image and loss of competitive advantage. We therefore manage risk in this context by introducing risk management techniques to reduce the probability of these negative events occurring without incurring excessive costs or stifling the initiative, innovation, and entrepreneurial flair of our staff.

In terms of uncertainty, we see risk as the distribution of all possible outcomes both positive and negative. In this context, we manage uncertainty by seeking to reduce the variance between anticipated outcomes and actual results.

Our risk management philosophy and culture consist of our shared beliefs, values, attitudes and practices with respect to how we consider risk in everything we do, from strategy development and implementation to every aspect of our day-to-day activities.

"We shall underwrite all profitable transactions that we consider prudent and meets our risk appetite and profile. We shall take calculated and informed risk while seeking to maximize returns and shareholders' value. We shall continuously evaluate the risk and rewards inherent in our business transactions, from strategy development and implementation to our day-to-day activities. We believe that to achieve this objective would require a good understanding of the risks we are taking and the effective management of these risks both at the individual and enterprise levels".

We therefore manage and control risk by introducing new risk management techniques, enhancing existing risk management practices and placing a greater emphasis on cooperation among departments to comprehensively manage the Company's full range of risks as a whole. The Company proactively formulates strategies and plans that enable the identification and management of events/factors/occurrences that impact our ability to attain our business and strategic objectives.

(a) Risk Management Strategy

The Company adopts the following strategy for managing risks:

i. Establish a clearly defined risk management process for identifying, measuring, controlling, monitoring and reporting risks.
ii. Entrench and incorporate risk management principles in all functions across the Company.
iii. Comprehensive implementation and maintenance of our risk management framework.
iv. Ensure good corporate governance practices.
v. Board and senior management support to promote sound risk management.
vi. Zero tolerance for non-compliance with risk and control procedures.
vii. Avoid concentration of risk to any industry, market, sector or individual entity.
viii. Deploy a risk management systems to facilitate the effective management of risks.

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(b) **Market risk**

The Group undertakes activities which give rise to a considerable level of market risks exposures (i.e. the risk that the fair value of future cash flows of our trading and investment positions or other financial instrument, will fluctuate because of changes in market prices). Market risks can arise from adverse changes in interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatilities. The objective of market risk management activities is to continually manage and control market risk exposure within acceptable parameters, while optimizing the return on risks taken.

Management of market risk

The Group has an independent Risk Management unit which assesses, monitors, manages and reports on market risk taking activities across the group. We have continued to enhance our Risk Management Framework.

The Group's market risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Group and ensure that:

1. The individuals who take or manage risk clearly understand it.
2. The Group's risk exposure is within established limits.
3. Risk taking decisions are in line with business strategy and objectives set by the Board of Directors.
4. The expected payoffs compensate for the risks taken.
5. Sufficient capital, as a buffer, is available to take risk.

(i) **Interest Rate Risk**

The Group is exposed to a considerable level of interest rate risk-especially on the Investment contracts (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates). Similar to the last financial year, interest rate was fairly volatile. These changes could have a negative impact on the Net Interest Income, if not properly managed. The Group however, has all of its financial instruments in non-rate sensitive assets and liabilities. This greatly assists it in managing its exposure to interest rate risks.

Exposure to fixed and variable interest rate risk

Group

December 31 2024 in thousand of naira	Fixed	Floating	Non-interest bearing	Total
Cash and cash equivalents	5,855,707	-	8,364,255	14,219,962
Financial assets				
- At fair value through profit or loss	-	-	11,409,434	11,409,434
- At fair value through other comprehensive income	-	-	64,431	64,431
- At amortised cost	69,668,973	-	-	69,668,973
Loans and other receivables	104,067	-	-	104,067
Total	75,628,746	-	19,838,121	95,466,867

Group

December 31 2023 in thousand of naira	Fixed	Floating	Non-interest bearing	Total
Cash and cash equivalents	3,742,338	-	4,280,742	8,023,080
Financial assets				-
- At fair value through profit or loss	-	-	10,463,494	10,463,494
- At fair value through other comprehensive income	-	-	75,219	75,219
- At amortised cost	36,614,636	-	-	36,614,636
Loans and other receivables	108,114	-	-	108,114
Total	40,465,087	-	14,819,456	55,284,542

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Parent December 31 2024 in thousand of naira	Fixed	Floating	Non-interest bearing	Total
Cash and cash equivalents	5,036,177	-	7,978,460	13,014,637
Financial assets				
- At fair value through profit or loss	-	-	11,409,434	11,409,434
- At fair value through other comprehensive income	-	-	64,431	64,431
- At amortised cost	69,668,973			69,668,973
Loans and other receivables	104,067	-	-	104,067
Total	74,809,216	-	19,452,326	94,261,542

Parent December 31 2023 in thousand of naira	Fixed	Floating	Non-interest bearing	Total
Cash and cash equivalents	3,721,332	-	4,211,937	7,933,269
Financial assets				
- At fair value through profit or loss	-	-	10,463,494	10,463,494
- At fair value through other comprehensive income	-	-	75,219	75,219
- At amortised cost	36,614,636	-	-	36,614,636
Loans and other receivables	108,114	-	-	108,114
Total	40,444,081	-	14,750,650	55,194,731

Sensitivity analysis - interest-rate risk

The sensitivity analysis below is based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

Group
31 December 2024 (N'000)

Assets	Carrying amount	Fixed rate	Floating rate	Impact on profit of a 100 basis point increase in interest rate	Impact on profit of a 100 basis point decrease in interest rate
Cash and cash equivalents	5,855,707	5,855,707	-	(58,557)	58,557
Amortized Cost Assets	69,668,973	69,668,973	-	(696,690)	696,690
Loans and other receivables	104,067	104,067	-	(1,041)	1,041
	75,628,746	**75,628,746**	**-**	**(756,287)**	**756,287**
Liabilities					
Borrowings	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Net increase/(Decrease)				**(756,287)**	**756,287**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Group
31 December 2023 (N'000)

Assets	Carrying amount	Fixed rate	Floating rate	Impact on profit of a 100 basis point increase in interest rate	Impact on profit of a 100 basis point decrease in interest rate
Cash and cash equivalents	3,742,338	3,742,338	-	(37,423)	37,423
Amortized Cost Assets	36,614,636	36,614,636	-	(366,146)	366,146
Loans and other receivables	108,114	108,114	-	(1,081)	1,081
	40,465,087	**40,465,087**	**-**	**(404,651)**	**404,651**
Liabilities					
Borrowings	1,557,737	-	-	15,577	(15,577)
	1,557,737	**-**	**-**	**15,577**	**(15,577)**
Net increase/(Decrease)				**(389,074)**	**389,074**

Parent
31 December 2024 (N'000)

Assets	Carrying amount	Fixed rate	Floating rate	Impact on profit of a 100 basis point increase in interest rate	Impact on profit of a 100 basis point decrease in interest rate
Cash and cash equivalents	5,036,177	5,036,177	-	(50,362)	50,362
Amortized Cost Assets	69,668,973	69,668,973	-	(696,690)	696,690
Loans and other receivables	104,067	104,067	-	(1,041)	1,041
	74,809,216	**74,809,216**	**-**	**(748,092)**	**748,092**
Liabilities					
Borrowings	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Net increase/(Decrease)				**(748,092)**	**748,092**

Parent
31 December 2023 (N'000)

Assets	Carrying amount	Fixed rate	Floating rate	Impact on profit of a 100 basis point increase in interest rate	Impact on profit of a 100 basis point decrease in interest rate
Cash and cash equivalents	3,721,332	3,721,332	-	(37,213)	37,213
Amortized Cost Assets	36,614,636	36,614,636	-	(366,146)	366,146
Loans and other receivables	108,114	108,114	-	(1,081)	1,081
	40,444,081	**40,444,081**	**-**	**(404,441)**	**404,441**
Liabilities					
Borrowings	1,557,737	1,557,737	-	15,577	(15,577)
	1,557,737	**1,557,737**	**-**	**15,577**	**(15,577)**
Net increase/(Decrease)				**(388,863)**	**388,863**

The impact on the Company's profit before tax if interest rates on financial instruments held at amortized cost or at fair value had increased or decreased by 100 basis points, with all other variables held constant are considered insignificant. This is due to the short term and fixed interest nature of the majority of the financial assets measured at amortized cost.

(ii) **Foreign exchange risk**

Foreign exchange risk is the exposure of the Group's financial condition to the changes in foreign exchange rates. The Company is exposed to exchange rate risk as a result of cash balances denominated in currencies other than Naira.

Notes To The Consolidated And Separate Financial Statements Cont'd

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

December 31, 2024

	Total	Naira	US Dollar	Euro	Pounds
Assets					
In thousands of Naira					
Cash and cash equivalents	14,222,691	10,192,498	3,293,512	580,027	156,654
Financial assets					
- At fair value through profit or loss	11,409,434	11,409,434	-	-	-
- At fair value through other comprehensive income	64,431	64,431	-	-	-
- At amortised cost	69,668,973	30,567,296	38,684,817	416,860	-
Loans and other receivables	104,067	104,067			
Reinsurance contract assets	15,910,561	15,910,561	-	-	-
Statutory deposit	320,000	320,000	-	-	-
Total financial assets	111,700,156	68,568,287	41,978,329	996,887	156,654
Liabilities					
Other payables (excluding non-financial liabilities)	6,769,715	6,769,715	-	-	-
Total financial liabilities	6,769,715	6,769,715	-	-	-
Net financial assets/liabilities	**104,930,441**	**61,798,572**	**41,978,329**	**996,887**	**156,654**
Insurance contract liabilities	42,330,564	42,330,564	-	-	-
Net policyholders' assets	**62,599,877**	**19,468,007**	**41,978,329**	**996,887**	**156,654**

December 31, 2023	Total	Naira	US Dollar	Euro	Pounds
Assets					
In thousands of Naira					
Cash and cash equivalents	8,028,711	5,528,487	2,029,495	437,803	32,926
Financial assets					
- At fair value through profit or loss	10,463,494	10,463,494	-	-	-
- At fair value through other comprehensive income	75,219	75,219	-	-	-
- At amortised cost	36,614,636	17,051,116	19,303,875	259,644	-
Loans and other receivables	108,114	108,114			
Reinsurance contract assets	9,433,042	9,433,042	-	-	-
Statutory deposit	320,000	320,000	-	-	-
Total financial assets	65,043,215	42,979,472	21,333,370	697,447	32,926
Liabilities					
Other payables (excluding non-financial liabilities)	4,981,828	4,981,828	-	-	-
Total financial liabilities	4,981,828	4,981,828	-	-	-
Net financial assets/liabilities	60,061,387	37,997,643	21,333,370	697,447	32,926
Insurance contract liabilities	25,285,724	25,285,724	-	-	-
Net policyholders' assets	34,775,662	12,711,919	21,333,370	697,447	32,926

Notes To **The Consolidated And Separate Financial Statements** Cont'd

The table below summaries the Parent's financial instruments at carrying amount, categorised by currency:

December 31, 2024

	Total	Naira	US Dollar	Euro	Pounds
Assets					
In thousands of Naira					
Cash and cash equivalents	13,014,637	8,984,444	3,293,512	580,027	156,654
Financial assets					
- At fair value through profit or loss	11,409,434	11,409,434	-	-	-
- At fair value through other comprehensive income	64,431	64,431	-	-	-
- At amortised cost	69,668,973	30,567,296	38,684,817	416,860	-
Loans and other receivables	104,067	104,067	-	-	-
Reinsurance assets	15,910,561	15,910,561	-	-	-
Statutory deposit	320,000	320,000	-	-	-
Total financial assets	110,492,103	67,360,233	41,978,329	996,887	156,654
Liabilities					
Other payables (excluding non-financial liabilities)	5,730,026	5,730,026	-	-	-
Total financial liabilities	5,730,026	5,730,026	-	-	-
Net financial assets/liabilities	104,762,077	61,630,207	41,978,329	996,887	156,654
Insurance contract liabilities	41,093,559	41,093,559		-	-
Net policyholders' assets	63,668,518	20,536,648	41,978,329	996,887	156,654

December 31, 2023

	Total	Naira	US Dollar	Euro	Pounds
Assets					
In thousands of Naira					
Cash and cash equivalents	7,933,269	5,433,045	2,029,495	437,803	32,926
Financial assets					
- At fair value through profit or loss	10,463,494	10,463,494	-	-	-
- At fair value through other comprehensive income	75,219	75,219	-	-	-
- At amortised cost	36,614,636	17,051,116	19,303,875	259,644	-
Loans and other receivables	108,114	108,114	-	-	-
Reinsurance assets	9,433,042	9,433,042	-	-	-
Statutory deposit	320,000	320,000	-	-	-
Total financial assets	64,947,772	42,884,029	21,333,370	697,447	32,926
Liabilities					
Other payables (excluding non-financial liabilities)	4,830,401	4,830,402	-	-	-
Total financial liabilities	4,830,401	4,830,402	-	-	-
Net financial assets/liabilities	60,117,371	38,053,627	21,333,370	697,447	32,926
Insurance contract liabilities	25,097,847	25,097,847	-	-	1,237,006
Net policyholders' assets	**35,019,524**	**12,955,780**	**21,333,370**	**697,447**	**(1,204,080)**

(iii) **Equity risk**

The Group is exposed to equity price risk by holding investments quoted on the Stock Exchange. Equity securities quoted on the Stock Exchange is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group.

Sensitivity analysis - equity risk

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

Management monitors movements of financial assets and equity price risk movements by assessing the expected changes in the different portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Company's equity instruments in that particular index moving proportionally.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

As at 31 December 2024, the market value of quoted securities held by the Group is N11.4 billion (2023: N10.5 billion). If the all share index of the NGX moves by 100 basis points at 31 December 2024, the effect on profit or loss would have been N270 million (2023: N 247 million).

(c) Credit Risk

The Company's assets are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the statement of financial position. The main sources of the Company's incoming cash flows are the amounts of receivables from brokers and reinsurers. The Company manages the credit risk arising from such sources by aging and monitoring the receivables. The Company conducts the review of current and non-current receivables on a monthly basis and monitors the progress in the process of collection of the premiums in accordance with the procedure stated in the Company's internal control policy. The non-current receivables are checked and assessed for impairment.

The overdue premiums are considered by the Company on case by case basis. If an overdue premium is recognized by the Company as uncollectible, a notification is sent to the broker and the insurance agreement is cancelled from the date of notification. The premium related to the period from the beginning of insurance cover until the date of cancellation of the insurance agreement is considered a bad debt, and further steps right up to legal actions are planned with regard to that bad debt.

Other areas where the Company is exposed to credit risk are:

- amounts due from reinsurers for the insurance risks ceded;
- amounts due from insurance intermediaries.
- amounts of deposits held in banks and correspondent accounts

NEM is exposed to the following categories of credit risk;

Direct Default Risk - risk that NEM will not receive the cash flows or assets to which it is entitled because brokers, clients and other debtors which NEM has a bilateral contract default on their obligations.

Concentration Risk – is the exposure to losses due to excessive concentration of business activities to individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

Counterparty Risk - the risk that a counterparty is not able or willing to meet its financial obligations to the Company as they fall due.

(i) Credit Risk Principles

The following principles underpin the Company's credit risk management policies:

- Individuals who create the credit risk and those who manage the risk clearly understand the nature of the risk;
- The Company's credit risk exposure is within the limits as approved by the Board;
- Credit decisions are clear and explicit and in line with the business strategy and objectives as approved by the Board;
- Credit risk exposures shall be within the defined limits to ensure there is no excessive concentration and that credit control procedures for managing large exposures and related counterparties are adhered to;
- Appropriate classification of credit risk through periodic evaluation of the collectability of risk assets; and
- Adequate loan loss provisioning to ensure that provisions or allowances are made to absorb anticipated losses.
- The expected payoffs more than compensate for the credit risks taken by the Company;
- Credit risk taking decisions are explicit and clear;
- There shall be clear delegated authorization limits for transactions;
- Sufficient capital as a buffer is available to take credit risk;

The Company's credit risk appetite shall be in line with its strategic objectives, available resources and the provisions of NAICOM Operational Guidelines. In setting this appetite/tolerance limits, NEM takes into consideration its corporate solvency level, risk capital and liquidity level , credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients. The company's credit risk is subsequently analysed as follows.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Credit risk by class
Group

Financial assets - at amortised cost	December 31 2024 Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000	December 31 2023 Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000
External rating Grade								
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	-	-	-	-	1,414,513	-	-	1,414,513
B-	69,668,973	-	-	69,668,973	35,070,471	-	129,652	35,200,122
Internal rating Grade								
Grade 1	48,336,220	-	-	48,336,220	25,727,230	-	30,963	25,758,193
Grade 2	21,332,753	-	-	21,332,753	10,757,754	-	98,689	10,856,443

Financial assets at FVOCI	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000
External rating Grade								
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	50,218	-	-	50,218	47,219	-	-	47,219
B	-	-	-	-	-	-	-	-
B-	14,213	-	-	14,213	28,000	-	-	28,000
Internal rating Grade								
Grade 1	64,431	-	-	64,431	75,219	-	-	75,219
Grade 2	-	-	-	-	-	-	-	-

Cash and cash equivalents	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000
External rating Grade								
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	14,026,398	-	196,293	14,222,691	8,007,445	-	21,266	8,028,711
Internal rating Grade								
Grade 1	14,026,398	-	196,293	14,222,691	8,007,445	-	21,266	8,028,711
Grade 2	-	-	-	-	-	-	-	-

Reinsurance assets	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000
External rating Grade								
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	15,910,561	-	-	-	-	-	-	-
B to B-	-	-	-	-	9,433,042	-	-	9,433,042
Internal rating Grade								
Grade 1	15,910,561	-	-	15,910,561	9,433,042	-	-	9,433,042
Grade 2	-	-	-	-	-	-	-	-

Statutory deposit	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000	Stage 1 Gross amount N'000	Stage 2 Gross amount N'000	Stage 3 Gross amount N'000	Total N'000
External rating Grade								
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	320,000	-	-	320,000	320,000	-	-	320,000
B-	-	-	-	-	-	-	-	-
Internal rating Grade								
Grade 1	320,000	-	-	320,000	320,000	-	-	320,000
Grade 2	-	-	-	-	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Cont'd

Credit risk by class
Group

Loans and receivables	December 31 2024 Stage 1	Stage 2	Stage 3	Total	December 31 2023 Stage 1	Stage 2	Stage 3	Total
External rating Grade	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
Internal rating Grade								
Grade 1	104,067	-	-	104,067	108,114	-	-	108,114
Grade 2	-	-	-	-	-	-	-	-

Other receivables (excluding non-financial assets)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
External rating Grade	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B-	2,150,000	-	-	2,150,000	-	-	-	-
Internal rating Grade								
Grade 1	2,150,000	-	-	2,150,000	1,500,000	-	-	1,500,000
Grade 2	-	-	-	-	-	-	-	-

Credit risk by class
Parent

Financial assets - at amortised cost	December 31 2024 Stage 1	Stage 2	Stage 3	Total	December 31 2023 Stage 1	Stage 2	Stage 3	Total
External rating Grade	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	-	-	-	-	1,414,513	-	-	1,414,513
B-	69,668,973	-	-	69,668,973	35,070,471	-	129,652	35,200,122
Internal rating Grade								
Grade 1	48,336,220	-	-	48,336,220	25,727,230	-	30,963	25,758,193
Grade 2	21,332,753	-	-	21,332,753	10,757,754	-	98,689	10,856,443

Financial assets at FVOCI	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
External rating Grade	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	50,218	-	-	50,218	47,219	-	-	47,219
B	-	-	-	-	-	-	-	-
B-	14,213	-	-	14,213	28,000	-	-	28,000
Internal rating Grade								
Grade 1	64,431	-	-	64,431	75,219	-	-	75,219
Grade 2	-	-	-	-	-	-	-	-

Cash and cash equivalents	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
External rating Grade	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000	Gross amount N'000	Gross amount N'000	Gross amount N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	12,818,344	-	196,293	13,014,637	7,912,003	-	21,266	7,933,269
Internal rating Grade								
Grade 1	12,818,344	-	196,293	13,014,637	7,912,003	-	21,266	7,933,269
Grade 2	-	-	-	-	-	-	-	-

Notes To The Consolidated And Separate Financial Statements Cont'd

Credit risk by class
Parent

Reinsurance assets	December 31 2024 Stage 1	Stage 2	Stage 3	Total	December 31 2023 Stage 1	Stage 2	Stage 3	Total
	Gross amount	Gross amount	Gross amount		Gross amount	Gross amount	Gross amount	
External rating Grade	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	15,910,561	-	-	15,910,561	-	-	-	-
B	-	-	-	-	-	-	-	-
B-	-	-	-	-	9,433,042	-	-	9,433,042
Internal rating Grade								
Grade 1	15,910,561	-	-	15,910,561	9,433,042	-	-	9,433,042
Grade 2	-	-	-	-	-	-	-	-

Statutory deposit	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Gross amount	Gross amount	Gross amount		Gross amount	Gross amount	Gross amount	
External rating Grade	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	320,000	-	-	320,000	320,000	-	-	320,000
B-	-	-	-	-	-	-	-	-
Internal rating Grade								
Grade 1	320,000	-	-	320,000	320,000	-	-	320,000
Grade 2	-	-	-	-	-	-	-	-

Loans and receivables	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Gross amount	Gross amount	Gross amount		Gross amount	Gross amount	Gross amount	
External rating Grade	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
Internal rating Grade								
Grade 1	104,067	-	-	104,067	128,114	-	-	128,114
Grade 2	-	-	-	-	-	-	-	-

Other receivables (excluding non-financial assets)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Gross amount	Gross amount	Gross amount		Gross amount	Gross amount	Gross amount	
External rating Grade	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AAA	-	-	-	-	-	-	-	-
AA- AA+	-	-	-	-	-	-	-	-
A- to A+	-	-	-	-	-	-	-	-
B	-	-	-	-	-	-	-	-
B-	2,150,000	-	-	2,150,000	-	-	-	-
Internal rating Grade								
Grade 1	2,150,000	-	-	2,150,000	1,500,000	-	-	1,500,000
Grade 2	-	-	-	-	-	-	-	-

Amounts arising from ECL on financial assets
Group

in thousand of naira	December 31 2024 Stage 1	Stage 2	Stage 3	Total	December 31 2023 Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	242,981	-	-	242,981	4,452	-	21,266	25,718
Financial assets								-
- At fair value through other comprehensive income	-	-	-	-	-	-	-	-
- At amortised cost	1,091,757	-	-	1,091,757	129,750	-	129,652	259,402
Reinsurance contract assets	-	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-
Other receivables (excluding non-financial assets)	-	-	-	-	-	-	-	-
	1,334,738	**-**	**-**	**1,334,738**	**134,202**	**-**	**150,917**	**285,119**

Notes To **The Consolidated And Separate Financial Statements** Cont'd For The Year Ended 31 December 2024

Parent in thousand of naira	December 31 2024 Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	December 31 2023 Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Cash and cash equivalents	242,981	-	-	242,981	4,452	-	21,266	25,718
Financial assets								
- At fair value through other comprehensive income	-	-	-	-	-	-	-	-
- At amortised cost	1,091,757	-	-	1,091,757	129,750	-	129,652	259,402
Reinsurance contract assets	-	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-
Other receivables (excluding non-financial assets)	-	-	-	-	-	-	-	-
	1,334,738	**-**	**-**	**1,334,738**	**134,202**	**-**	**150,917**	**285,119**

Concentration of credit risk
This is the exposure to losses due to excessive concentration of business activities to individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

An analysis of the carrying amounts of financial investments is shown below;

By sector

Group
December 31, 2024

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	-	-	13,101,897	-	-	-	13,101,897
Financial assets							-
- At fair value through profit or loss	3,303,902	-	8,105,532	-	-	-	11,409,434
- At fair value through other comprehensive income	14,213	-	-	-	50,218	-	64,431
- At amortised cost	37,546,623	3,382,332	17,639,744	-	11,100,274	-	69,668,973
Loan and other receivables	2,150,000	-	-	-	-	1,107,300	3,257,300
	43,014,739	**3,382,332**	**38,847,172**	**-**	**11,150,492**	**1,107,300**	**97,502,035**

Group
December 31, 2023

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	803,493	-	7,225,218	-	-	-	8,028,711
Financial assets							
- At fair value through profit or loss	4,275,739	-	6,187,755	-	-	-	10,463,494
- At fair value through other comprehensive income	28,000	-	-	-	47,219	-	75,219
- At amortised cost	26,033,090	-	7,405,696	-	3,175,850	-	36,614,636
Loan and other receivables	1,500,000	-	-	-	-	648,365	2,148,365
	32,640,322	**-**	**20,818,669**	**-**	**3,223,069**	**648,365**	**57,330,425**

Parent
December 31, 2024

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	-	-	13,014,637	-	-	-	13,014,637
Financial assets							
- At fair value through profit or loss	3,303,902	-	8,105,532	-	-	-	11,409,434
- At fair value through other comprehensive income	14,213	-	-	-	50,218	-	64,431
- At amortised cost	37,546,623	3,382,332	17,639,744	-	11,100,274	-	69,668,973
Loan and other receivables	2,150,000	-	-	-	-	761,773	2,911,773
	43,014,739	**3,382,332**	**38,759,913**	**-**	**11,150,492**	**761,773**	**97,069,249**

Parent
December 31, 2023

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	803,493		7,129,776				7,933,269
Financial assets							
- At fair value through profit or loss	4,275,739	-	6,187,755	-	-	-	10,463,494
- At fair value through other comprehensive income	28,000	-	-	-	47,219	-	75,219
- At amortised cost	26,033,090	-	7,405,696	-	3,175,850	-	36,614,636
Loan and other receivables	1,500,000	-	-	-	-	375,423	1,875,423
	32,640,322	-	20,723,226	-	3,223,069	375,423	56,962,040

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Parent

in thousand of naira	December 31 2024 Stage 1	Stage 2	Stage 3	Total	December 31 2023 Stage 1	Stage 2	Stage 3	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	242,981	-	-	242,981	4,452	-	21,266	25,718
Financial assets								
- At fair value through other comprehensive income	-	-	-	-	-	-	-	-
- At amortised cost	1,091,757	-	-	1,091,757	129,750	-	129,652	259,402
Reinsurance contract assets	-	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-
Other receivables (excluding non-financial assets)	-	-	-	-	-	-	-	-
	1,334,738	**-**	**-**	**1,334,738**	**134,202**	**-**	**150,917**	**285,119**

Concentration of credit risk

This is the exposure to losses due to excessive concentration of business activities to individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

An analysis of the carrying amounts of financial investments is shown below;

By sector

Group
December 31, 2024

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	-	-	13,101,897	-	-	-	13,101,897
Financial assets							-
- At fair value through profit or loss	3,303,902	-	8,105,532	-	-	-	11,409,434
- At fair value through other comprehensive income	14,213	-	-	-	50,218	-	64,431
- At amortised cost	37,546,623	3,382,332	17,639,744	-	11,100,274	-	69,668,973
Loan and other receivables	2,150,000	-	-	-	-	1,107,300	3,257,300
	43,014,739	**3,382,332**	**38,847,172**	**-**	**11,150,492**	**1,107,300**	**97,502,035**

Group
December 31, 2023

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	803,493	-	7,225,218	-	-	-	8,028,711
Financial assets							
- At fair value through profit or loss	4,275,739	-	6,187,755	-	-	-	10,463,494
- At fair value through other comprehensive income	28,000	-	-	-	47,219	-	75,219
- At amortised cost	26,033,090	-	7,405,696	-	3,175,850	-	36,614,636
Loan and other receivables	1,500,000	-	-	-	-	648,365	2,148,365
	32,640,322	**-**	**20,818,669**	**-**	**3,223,069**	**648,365**	**57,330,425**

Parent
December 31, 2024

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	-	-	13,014,637	-	-	-	13,014,637
Financial assets							
- At fair value through profit or loss	3,303,902	-	8,105,532	-	-	-	11,409,434
- At fair value through other comprehensive income	14,213	-	-	-	50,218	-	64,431
- At amortised cost	37,546,623	3,382,332	17,639,744	-	11,100,274	-	69,668,973
Loan and other receivables	2,150,000	-	-	-	-	761,773	2,911,773
	43,014,739	**3,382,332**	**38,759,913**	**-**	**11,150,492**	**761,773**	**97,069,249**

December 31, 2023

in thousand of naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and cash equivalents	803,493		7,129,776				7,933,269
Financial assets							
- At fair value through profit or loss	4,275,739	-	6,187,755	-	-	-	10,463,494
- At fair value through other comprehensive income	28,000	-	-	-	47,219	-	75,219
- At amortised cost	26,033,090	-	7,405,696	-	3,175,850	-	36,614,636
Loan and other receivables	1,500,000	-	-	-	-	375,423	1,875,423
	32,640,322	-	20,723,226	-	3,223,069	375,423	56,962,040

Notes To The Consolidated And Separate Financial Statements Cont'd

By Geography
Group
December 31, 2024

in thousand of naira	Nigeria	Rest of Africa	Europe	Others	Total
Cash and cash equivalents	14,026,398	-	196,293	-	14,222,691
Financial assets					
- At fair value through profit or loss	11,409,434	-	-	-	11,409,434
- At fair value through other comprehensive income	64,431	-	-	-	64,431
- At amortised cost	48,336,220	-	21,332,753	-	69,668,973
	73,836,483	**-**	**21,529,046**	**-**	**95,365,529**

Group
December 31, 2023

in thousand of naira	Nigeria	Rest of Africa	Europe	Others	Total
Cash and cash equivalents	8,007,445	-	21,266	-	8,028,711
Financial assets					
- At fair value through profit or loss	10,463,494	-	-	-	10,463,494
- At fair value through other comprehensive income	75,219	-	-	-	75,219
- At amortised cost	25,758,193	98,689	10,757,754	-	36,614,636
	44,304,351	**98,689**	**10,779,020**	**-**	**55,182,060**

By Geography
Parent
December 31, 2024

in thousand of naira	Nigeria	Rest of Africa	Europe	Others	Total
Cash and cash equivalents	12,818,344	-	196,293	-	13,014,637
Financial assets					
- At fair value through profit or loss	11,409,434	-	-	-	11,409,434
- At fair value through other comprehensive income	64,431	-	-	-	64,431
- At amortised cost	48,336,220	-	21,332,753	-	69,668,973
	72,628,429	**-**	**21,529,046**	**-**	**94,157,476**

Parent
December 31, 2023

in thousand of naira	Nigeria	Rest of Africa	Europe	Others	Total
Cash and cash equivalents	7,912,003	-	21,266	-	7,933,269
Financial assets					
- At fair value through profit or loss	10,463,494	-	-	-	10,463,494
- At fair value through other comprehensive income	75,219	-	-	-	75,219
- At amortised cost	25,758,193	98,689	10,757,754	-	36,614,636
	44,208,909	**98,689**	**10,779,020**	**-**	**55,086,617**

Notes To The Consolidated And Separate Financial Statements Cont'd

Business Risk Management

Business risk is managed by Management Underwriting & Investment Committee through consistent monitoring of product lines' profitability, stakeholder engagement to ensure positive outcomes from external factors beyond the Group's control and prompt response to changes in the external environment.

Reputational Risk Management

NEM Insurance Plc norms and values set a tone for acceptable behaviours required for all staff members, and provide structure and guidance for non-quantifiable decision making, thereby assisting in the management of the group's reputation.

The Group identifies, assesses and manages reputational risks predominately within its business processes. Management of reputational risks is based on the Group's risk governance framework. In addition, Company-wide risks are identified and assessed qualitatively as part of the annual risk & control self-assessment. The Group's risk functions analyses the overall risk profile and regularly informs management about the current profile and potential exposures to the risk. Risk functions' presentation of potential reputational risk guides management decisions in executing business operations and strategies.

The Group has laid great emphasis on effective management of its exposure to credit risk especially premium related debts. The Group defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement. Credit risk exposure to direct business is low as the Group requires debtors to provide payment plans before inception of insurance policies. The Group's exposure to credit risk arising from brokerage business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

The Group credit risk originates from reinsurance recoverable transactions, retail clients, corporate clients, brokers and agents.

Management of credit risk due to outstanding premium
Credit Rating

We constantly review brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers while others are explored for possible potentials.

Receivables are reviewed and categorized into grade A, B, C and D on the basis of:
a) Previous year contribution
b) Payment mode
c) Outstanding as at December of the previous year
d) Future prospect
e) Recommendation

The Group credit risk is constantly reviewed and approved during the weekly Management Operations meeting. The monthly Group management meeting is responsible for the assessment and continual review of the Group premium debt and direct appropriate actions in respect of delinquent ones. It also ensured that adequate provisions are taken in line with the regulatory guidelines. Other credit risk management includes:

a) Formulating credit policies with strategic business units, underwriters, brokers covering, brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.

b) Identification of credit risk drivers within the Group in order to coordinate and monitor the probability of default that could have an unfortunate impact.

c) Developing and monitoring credit limits. The Group is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

d) Assessment of credit risk. All firsthand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during management meeting.

e) Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

In measuring credit risk, the Group considers three models:

a) The Probability of Default(PD), the likelihood that the insured will fail to make full and timely payment of financial obligations

b)The Exposure at Default (EAD) is derived from the Group's expected value of debt at the time of default

c)The Loss Given Default (LGD) which states the amount of the loss if there is a default, expressed as a percentage of the (EAD).

Impairment Model

Premium debtors, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The Group adopts simplified provisional matrix for calculating expected losses on premium receivables as a practical expedient in line with IFRS 9. The provision matrix is based on the Group's historical default rates over the expected life of the premium receivables which is adjusted for forward-looking estimates.

Credit quality

The Group loan and receivables have no collateral as security and other credit enhancements, thus the Group has no loan or receivables that are past due but not impaired. Insurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value.

The Group further manages its exposure to credit risk through deduction of transactions at source and investment in blue-chip companies quoted on Stock Exchange. The exposure to credit risk associated with other receivables is low.

Operational Risk Management

A summary of the analytical tools that the Group employed in operational risk management are discussed below:

Issue tracking report/action plan report:
Issues can surface from the internal self-assessment process, an audit, or regulators requirements. A key result of the self-assessment process is an action plan with assigned responsibilities. This report contains a reap of major issues, the status of the action plan, and an aging of overdue tasks.

Risk control and self-assessment (RCSA): The business areas perform self-assessments semi- annually and results are aggregated to provide a qualitative and quantitative profile of risk across the organization and related action items. Severity of the risks identified is compared with previous RCSA risk severity and a trend is ascertained. The register summarizes findings into list of risks facing the institution. These summary results are accompanied by descriptions of the significant gaps and trends, suggested mitigants, and process owners and timeline for each risk.

The profile of risks across the organization is an integral input for the Group's internal audit whilst preparing audit plans. Areas with high-risk exposures are thoroughly audited and performance of recommended controls tested by the Group's internal control function to ascertain that risks are properly managed.

Notes To The Consolidated And Separate Financial Statements Cont'd

Risk Maps: Risk maps typically are graphs on which impact of each risk is plotted against probability of occurrence. Risk maps are designed either to show inherent or residual risk categories by line of business. Risks in the upper right are very severe and need to be monitored closely to reduce the Group's exposure. High-frequency/low-severity risks create the basis for expected losses and are often subject to detailed analysis focused on reducing the level of losses.

Key risk indicators dashboard: These are numerous measures of actual risks in the business and support functions, such as error rates and control breaks. Summary indicators, related escalation criteria, explanations of any excesses, and identified trends are all important aspects that are tracked. Many indicators are specific to each business unit or process, but some may be common and reported in a consolidated fashion. Threshold is set by management for each key risk indicators and escalation of indicators above such levels triggers a mitigation response.

Loss events report: The ERM team developed a database for loss event collation named Loss Event Register. This register allows staff to report actual and near-miss (an unplanned event that did not result in injury, illness, or damage – but had the potential to do so) loss events. Summary statistics from the loss event database are used to show trends of total losses and mean average loss, with analysis by type of loss and business line.

Business continuity plan: A critical tool in managing our operational risk is the Business Continuity Plan (BCP) that documents the procedures to be executed by relevant teams in the event of a disaster.

Liquidity Risk Management

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flows including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

Expected Credit Loss Impairment Model for financial assets

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.
• Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

Notes To The Consolidated And Separate Financial Statements Cont'd

• Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

• Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. Examples of financial assets with low credit risk (no significant increase in credit risk) include: Risk free and gilt edged debt investment securities that are determined to have low credit risk at the reporting date; and Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Measurement of Expected credit losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.The Group employs the usage of international rating agencies PD factors which was modified by factors specific to the Nigerian Economy such as inflation rate, unemployment rate, GDP and so on.Using the probabilities of default (PD) as provided by Standard & Poor's, our model employs Nigeria-centric forward-looking macro- economic factors which have been determined to be statistically significant, to adjust the PDs. Country-specific factors are also applied to the LGD factors which originate from Basel recommendations and are thereby adjusted to our specific circumstances. Base, optimistic and pessimistic scenarios are employed and projected cash flows are discounted to present value at using the effective rates of interest. The resulting ECL computations are therefore appropriately probability-weighted and consider relevant forward-looking information as well as the time value of money.

Details of these statistical parameters/inputs are as follows:

• PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

1. 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over) the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.

2. Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9.

• EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

• LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. Basically, It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. However, the Group make use of the combination of the following in establishing its LGD:

1) Fixed LGD ratios prescribed by the Bank for International Settlements (BIS) under the foundation approach

2) Recovery rates on insolvencies in Nigeria as published by the World bank

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios

The Group determines allowance for credit losses using probability-weighted forward looking scenarios.

The Group considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ) and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn are used in the estimation of the multiple scenario ECLs. The normal case represents the most likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers specific quantitative and qualitative information about the issuer without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depend on the type of product, characteristics of the financial instruments and the issuer and the geographical region.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers:

Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

Notes To The Consolidated And Separate Financial Statements Cont'd

i **Quantitative elements**

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

ii **Qualitative elements**

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Group recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

iii **Backstop indicators**

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Group has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

(i) Significant financial difficulty of the borrower or issuer;

(ii) A breach of contract such as a default or past due event;

(iii) It is becoming probable that the issuer will enter bankruptcy or other financial reorganization; or

(iv)The disappearance of an active market for a security because of financial difficulties.

(v)The purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss

An asset that has been renegotiated due to a deterioration in the issuer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

Notes To **The Consolidated And Separate Financial Statements** Cont'd

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The Country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that Country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

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

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets:
- Financial assets measured at FVOCI: loss allowance shall be recognized in the statement of financial position because the carrying amount of these assets shall be their fair value. However, the loss allowance shall be disclosed and recognized in the fair value reserve.

Inputs, assumptions and techniques used for estimating impairment

When determining whether the credit risk(i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Group's experience, expert credit assessment and forward looking information.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by using days past due and assessing other information obtained externally. Whenever available, the Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the Group also reviews changes in Bond yields together with available press and regulatory information about issuers.

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

The Group has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Group considers this to be Baa3 or higher based on the Moody rating.

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

The Group monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;

Notes To The Consolidated And Separate Financial Statements Cont'd

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

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with
- The risk of default occurring estimated based on Data on initial recognition and the original contractual terms.

Liquidity Risk

Liquidity risk is the inability of a Group to meet obligations on a timely basis. It is also the inability of a Group to take advantage of business opportunities and sustain the growth target in its business strategy due to liquidity constraints or difficulty in obtaining funding at a reasonable cost. Our liquidity risk exposure is strongly related to our credit and investment risk profile. The Group is exposed to daily calls on its available cash resources from claims to be paid.

At 31 December 2024, management does not believe the current maturity profile of the Group lends itself to any material liquidity risk, taking into account the level of cash and deposits and the nature of its securities portfolio at year end, as well as the reinsurance structure of the Group's insurance portfolio. The Group's bank deposits and trading securities are able to be released at short notice when and if required. The possible payments of significant insurance claims are secured by the reinsurance contracts' clause that allows a cash call from the reinsurers for the losses exceeding a certain amount based on line of business.

Sources of Liquidity Risk

Our liquidity risk exposure depends on the occurrence of other risks. Some of the factors that could lead to liquidity risks are:

- Reputational loss or rating downgrade, leading to inability to generate funds;
- Failure of insurance brokers and clients to meet their premium payment obligation as and when due;
- Lack of timely communication between Finance &Investment Division and Claims Department resulting in mismatch of funds;
- Investment in volatile securities; and
- Frequency and severity of major and catastrophic claims.

Liquidity Risk Management Strategy

The Group's strategy for managing liquidity risks are as follows:

- Maintain a good and optimum balance between having sufficient stock of liquid assets, profitability and investment needs;
- Ensure strict credit control and an effective management of account receivables;
- Ensure unrestricted access to financial markets to raise funds;
- Develop and continuously update the contingency funding plan;
- Adhere to the liquidity risk control limits; and
- Communicate to all relevant staff on the liquidity risk management objectives and control limits.

Liquidity Risk Appetite/Tolerance

Our liquidity risk appetite is defined using the following parameters:

- Liquidity gap limits;
- Scenario and Sensitivity Analysis

Notes To The Consolidated And Separate Financial Statements Cont'd

- Liquidity Ratios such as:
  - Claims ratio
  - Cash ratio
  - Quick ratio
- Receivable to capital ratio
- Technical provision to capital ratio
- Maximum exposure for single risk to capital ratio
- Maximum exposure for a single event to capital ratio
- Retention rate
- Re-insurance receipts to ceded premium ratio
- Solvency margin

Short-term insurance contracts

For short-term insurance contracts, the Company funds the insurance liabilities with a portfolio of equity and debt securities exposed to liquidity risk. The following tables indicate the contractual timing of cash flows arising from assets and liabilities included in the Company's ALM framework for management of short-term insurance contracts.

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The table below sets out the classification of each class of financial assets and liabilities, and their maturity profiles:

Group

At 31 December 2024

	Note	Carrying amount N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	Between 1 year and 5 years N'000	Above 5 years N'000	Total N'000
Financial assets								
Cash & cash equivalent	3	13,978,899	14,222,691	-	-	-	-	14,222,691
Financial assets								-
- At fair value through profit or loss	4.1	11,409,434	-	-	-	11,409,434	-	11,409,434
- At fair value through other comprehensive income	4.2	64,431	-	-	-	-	64,431	64,431
- At amortised cost	4.3	68,577,216	8,080,607	26,584,373	7,052,810	22,460,945	5,490,238	69,668,973
Loans and receivables	8	104,067	-	-	104,067	-	-	104,067
Other Receivables	(5)(8)	4,424,324	1,864,278	89,408	320,637	2,150,000	-	4,424,324
		98,558,371	**24,167,576**	**26,673,781**	**7,477,514**	**36,020,379**	**5,554,669**	**99,893,919**
Accruals and other payables (excluding non-financial liabilities)	(17)(28)	5,589,070	5,589,070	-	-	-	-	5,589,070
		5,589,070	5,589,070	-	-	-	-	5,589,070
Liquidity Gap		92,969,301	18,578,506	26,673,781	7,477,514	36,020,379	5,554,669	94,304,849
Cumulative liquidity gap			18,578,506	45,252,287	52,729,801	88,750,180	94,304,849	

At 31 December 2023	Note	Carrying amount N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	Between 1 year and 5 years N'000	Above 5 years N'000	Total N'000
Financial assets								
Cash & cash equivalent	3	8,002,993	8,028,711	-	-	-	-	8,028,711
Financial assets								-
- At fair value through profit or loss	4.1	10,463,494	-	-	-	10,463,494	-	10,463,494
- At fair value through other comprehensive income	4.2	75,219	-	-	-	-	75,219	75,219
- At amortised cost	4.3	36,355,234	533,063	11,461,910	7,162,790	14,048,971	3,407,902	36,614,636
Loans and receivables	8	108,114		-	108,114	-	-	108,114
Other Receivables	(5)(8)	2,490,395	869,193	36,347	84,855	1,500,000	-	2,490,395
		57,495,449	**9,430,967**	**11,498,257**	**7,355,758**	**26,012,465**	**3,483,121**	**57,780,568**
Accruals and other payables (excluding non-financial liabilities)	(17)(28)	3,651,207	3,651,207	-	-	-	-	3,651,207
		3,651,207	3,651,207	-	-	-	-	3,651,207
Liquidity Gap		53,844,242	5,779,760	11,498,257	7,355,758	26,012,465	3,483,121	54,129,362
Cumulative liquidity gap			5,779,760	17,278,016	24,633,775	50,646,240	54,129,361	

Notes To **The Consolidated And Separate Financial Statements** Cont'd

At 31 December 2024	Note	Carrying amount N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	Between 1 year and 5 years N'000	Above 5 years N'000	Total N'000
Financial assets								
Cash & cash equivalent	3	12,771,656	13,014,637	-	-	-	-	13,014,637
Financial assets								-
- At fair value through profit or loss	4.1	11,409,434	-	-	-	11,409,434	-	11,409,434
- At fair value through other comprehensive income	4.2	64,431	-	-	-	-	64,431	64,431
- At amortised cost	4.3	68,577,216	8,080,607	26,584,373	7,052,810	22,460,945	5,490,238	69,668,973
Loans and receivables	8	104,067	104,067	-	-	-	-	104,067
Other Receivables	(5)(8)	3,060,729	187,416	-	425,204	2,448,109	-	3,060,729
		95,987,533	**21,386,727**	**26,584,373**	**7,478,014**	**36,318,488**	**5,554,669**	**97,322,271**
Accruals and other payables (excluding non-financial liabilities)	(17)(28)	4,568,064	4,568,064	-	-	-	-	4,568,064
		4,568,064	4,568,064	-	-	-	-	4,568,064
Liquidity Gap		91,419,469	16,818,663	26,584,373	7,478,014	36,318,488	5,554,669	92,754,207
Cumulative liquidity gap			16,818,663	43,403,036	50,881,050	87,199,538	92,754,207	

At 31 December 2023	Note	Carrying amount N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	Between 1 year and 5 years N'000	Above 5 years N'000	Total N'000
Financial assets								
Cash & cash equivalent	3	7,907,551	7,933,269	-	-	-	-	7,933,269
Financial assets								
- At fair value through profit or loss	4.1	10,463,494	-	-	-	10,463,494	-	10,463,494
- At fair value through other comprehensive income	4.2	75,219	-	-	-	-	75,219	75,219
- At amortised cost	4.3	36,355,234	533,063	11,461,910	7,162,790	14,048,971	3,407,902	36,614,636
Loans and receivables	8	108,114	108,114	-	-	-	-	108,114
Other Receivables	(5)(8)	2,229,953	399,269	-	192,709	1,637,976	-	2,229,953
		57,139,565	**8,973,714**	**11,461,910**	**7,355,498**	**26,150,441**	**3,483,121**	**57,424,684**
Accruals and other payables (excluding non-financial liabilities)	(17)(28)	3,573,259	3,573,259	-	-	-	-	3,573,259
		3,573,259	**3,573,259**	**-**	**-**	**-**	**-**	**3,573,259**
Liquidity Gap		53,566,306	5,400,455	11,461,910	7,355,498	26,150,441	3,483,121	53,851,426
Cumulative liquidity gap			5,400,455	16,862,365	24,217,863	50,368,304	53,851,425	

Notes To **The Consolidated And Separate Financial Statements** Cont'd

(b) **Financial instruments measured at fair value**

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

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date . A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker , industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments carried at fair value through profit or loss and equity investments carried at fair value through other comprehensive income.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

Group At 31 December 2024 In thousands of naira	Level 1	Level 2	Level 3
Financial assets			
Financial Assets at fair value through profit or loss	11,409,434	-	-
Financial assets at fair value through other comprehensive income	64,431	-	-
Total	**11,473,865**	**-**	**-**
Financial liabilities	-	-	-

Group At 31 December 2023 (N'000)	Level 1	Level 2	Level 3
Financial assets			
Financial Assets -FVTPL	10,463,494	-	-
Financial Assets -FVOCI	75,219		-
Total	**10,538,713**	**-**	**-**
Financial liabilities	-	-	-

Parent At 31 December 2024 In thousands of naira	Level 1	Level 2	Level 3
Financial assets			
Financial Assets at fair value through profit or loss	11,409,434	-	-
Financial assets at fair value through other comprehensive income	64,431	-	-
Total	**11,473,865**	**-**	**-**
Financial liabilities	-	-	-

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Parent

At 31 December 2023 (N'000)	Level 1	Level 2	Level 3
Financial assets			
Financial Assets -FVTPL	10,463,494	-	-
Financial Assets -FVOCI	75,219		-
Total	10,538,713	-	-
Financial liabilities	-	-	-

Financial instruments not measured at fair value

The following table sets out the carrying amount of financial instruments not measured at fair value and the analysis per level in the fair value hierarchy into which each fair value measurement is categorised.

Group

In thousands of naira	Fair value				
December 31 2024	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	13,978,898	-	13,978,898	13,978,898
Financial investments at amortised cost	5,333,247	63,604,817	-	68,938,064	68,577,216
Premium Receivable	-	1,271,090	-	1,271,090	1,271,090
Other receivables (excluding prepayments)	-	3,167,892	-	3,167,892	3,167,892
Statutory deposit	-	320,000	-	320,000	320,000
Total	5,333,247	82,342,697	-	87,675,944	87,315,097
Liability type					
Other technical liabilities	-	718,236	-	718,236	718,236
Borrowings	-	-	-	-	-
Other payables	-	5,589,070	-	5,589,070	5,589,070
Total	-	6,307,307	-	6,307,307	6,307,307

Group

In thousands of naira	Fair value				
December 31 2023	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	8,002,993	-	8,002,993	8,002,993
Financial investments at amortised cost	2,852,729	34,021,924	-	36,874,653	36,355,234
Premium Receivable	-	450,143	-	450,143	450,143
Other receivables (excluding prepayments)	-	2,112,018	-	2,112,018	2,112,018
Statutory deposit	-	320,000	-	320,000	320,000
Total	2,852,729	44,907,078	-	47,759,807	47,240,388
Liability type					
Other technical liabilities	-	857,381	-	857,381	857,381
Borrowings	-	1,557,737	-	1,557,737	1,557,737
Other payables	-	2,093,470	-	2,093,470	2,093,470
Total	-	4,508,588	-	4,508,588	4,508,588

Parent

In thousands of naira	Fair value				
December 31 2024	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	12,771,656	-	12,771,656	12,771,656
Financial investments at amortised cost	5,333,247	63,604,817	-	68,938,064	68,577,216
Premium Receivable	-	253,022	-	253,022	253,022
Other receivables (excluding prepayments)	-	2,873,312	-	2,873,312	2,873,312
Statutory deposit	-	320,000	-	320,000	320,000
Total	5,333,247	79,822,807	-	85,156,054	84,795,206
Liability type					
Other technical liabilities	-	666,240	-	666,240	666,240
Borrowings	-	-	-	-	-
Other payables	-	4,568,064	-	4,568,064	4,568,064
Total	-	5,234,304	-	5,234,304	5,234,304

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Parent					
In thousands of naira	Fair value				
December 31 2023	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	7,907,551	-	7,907,551	7,907,551
Financial investments at amortised cost	2,852,729	34,021,924	-	36,874,653	36,355,234
Premium Receivable	-	253,022	-	253,022	253,022
Other receivables (excluding prepayments)	-	1,850,685	-	1,850,685	1,850,685
Statutory deposit	-	320,000	-	320,000	320,000
Total	2,852,729	44,353,181	-	47,205,910	46,686,491
Liability type					
Other technical liabilities	-	783,901	-	783,901	783,901
Borrowings	-	1,557,737	-	1,557,737	1,557,737
Other payables	-	2,015,522	-	2,015,522	2,015,522
Total	-	4,357,161	-	4,357,161	4,357,161

(c) **Fair valuation methods and assumptions**

The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The method and assumptions applied are enumerated below:

(i) **Cash and cash equivalents and borrowings**

The estimated fair value of fixed interest placement with banks, bonds and borrowings is based on the discounted cash flow techniques using prevailing money market interest rates for debts and similar credit risk and remaining maturity.

(ii) **Equity securities**

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical assets.

(iii) **Debt securities**

Treasury bills represent short term instruments issued by the Central bank of the jurisdiction where the Group operates. The fair value of treasury bills and bonds at fair value are determined with reference to quoted prices (unadjusted) in active markets for identical assets. The estimated fair value of bonds (asset or liability) at amortised cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iv) **Other assets**

Other assets represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

(v) **Premium receivables and other technical liabilities, and other liabilities**

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

The carrying amounts of other liabilities are reasonable approximation of their fair values which are payable on demand.

Notes To The Consolidated And Separate Financial Statements Cont'd

Fair value measurement
Accounting classification measurement basis and fair values

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

	Financial assets designated as FVTPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Group						
In thousands of Naira						
31 December, 2024						
Cash and cash equivalents	-	14,222,691	-	-	14,222,691	14,222,691
Financial assets						
- At fair value through profit or loss	11,409,434	-	-	-	11,409,434	11,409,434
- At fair value through other comprehensive income	-	-	64,431	-	64,431	64,431
- At amortised cost	-	69,668,973	-	-	69,668,973	69,668,973
Loans and receivables	-	104,067	-	-	104,067	104,067
Total Financial assets	**11,409,434**	**83,995,730**	**64,431**	**-**	**95,469,596**	**95,469,596**
Borrowings	-	-	-	-	-	-
Other payables	-	-	-	5,126,662	5,126,662	5,126,662
Lease liabilities	-	-	-	462,408	462,408	462,408
Total Financial liabilities	**-**	**-**	**-**	**5,589,070**	**5,589,070**	**5,589,070**
Group						
In thousands of Naira						
December 31, 2023						
Cash and cash equivalents	-	8,028,711	-	-	8,028,711	8,028,711
Financial assets						
- At fair value through profit or loss	10,463,494	-	-	-	10,463,494	10,463,494
- At fair value through other comprehensive income	-	-	75,219	-	75,219	75,219
- At amortised cost	-	36,614,636	-	-	36,614,636	36,614,636
Loans and receivables	-	108,114	-	-	108,114	108,114
Total Financial assets	**10,463,494**	**44,751,460**	**75,219**	**-**	**55,290,173**	**55,290,173**
Borrowings	-	-	-	1,557,737	1,557,737	1,557,737
Other payables	-	-	-	1,620,229	1,620,229	1,620,229
Lease liabilities	-	-	-	473,241	473,241	473,241
Total Financial liabilities	**-**	**-**	**-**	**3,651,207**	**3,651,207**	**3,651,207**
Parent						
In thousands of Naira						
31 December, 2024						
Cash and cash equivalents	-	13,014,637	-	-	13,014,637	13,014,637
Financial assets						
- At fair value through profit or loss	11,409,434	-	-	-	11,409,434	11,409,434
- At fair value through other comprehensive income	-	-	64,431	-	64,431	64,431
- At amortised cost	-	69,668,973	-	-	69,668,973	69,668,973
Loans and receivables	-	104,067	-	-	104,067	104,067
Total Financial assets	**11,409,434**	**82,787,677**	**64,431**	**-**	**94,261,542**	**94,261,542**
Borrowings	-	-	-	-	-	-
Other payables	-	-	-	776,009	776,009	776,009
Lease liabilities	-	-	-	495,722	495,722	495,722
Total Financial liabilities	**-**	**-**	**-**	**1,271,731**	**1,271,731**	**1,271,731**
Parent						
In thousands of Naira						
December 31, 2023						
Cash and cash equivalents	-	7,933,269	-	-	7,933,269	7,933,269
Financial assets						
- At fair value through profit or loss	10,463,494	-	-	-	10,463,494	10,463,494
- At fair value through other comprehensive income	-	-	75,219	-	75,219	75,219
- At amortised cost	-	36,614,636	-	-	36,614,636	36,614,636
Loans and receivables	-	108,114	-	-	108,114	108,114
Total Financial assets	**10,463,494**	**44,656,018**	**75,219**	**-**	**55,194,731**	**55,194,731**
Borrowings	-	-	-	1,557,737	1,557,737	1,557,737
Other payables	-	-	-	591,043	591,043	591,043
Lease liabilities	-	-	-	473,241	473,241	473,241
Total Financial liabilities	**-**	**-**	**-**	**2,622,021**	**2,622,021**	**2,622,021**

Notes To **The Consolidated And Separate Financial Statements** Cont'd

50 Capital management Policy

NEM has over the years been deploying capital from earnings and additional equity funds to support growth in business volumes while striving to meet dividend commitments to shareholders. To be able to continue to generate and deploy capital both to grow core businesses and reward shareholders, there is need for the Group to execute the right strategy, the right growth dynamics, the right cost structure and risk discipline as well as the right capital management.

NEM's capital management strategy focuses on the creation of shareholders' value whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfy regulators.

The Group's objectives when managing capital are as follows:

- To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Group;
- To generate sufficient capital to support the Group's overall business strategy;
- To ensure that the Group meets all regulatory capital ratios and the prudent buffer required by the Board;
- To ensure that the average return on capital over a 3 -5 years performance cycle is sufficient to satisfy the expectations of investors;

- To maintain a strong risk rating;
- To ensure that capital allocation decisions are optimal, considering the return on economic and regulatory capital;
- To determine the capital required to support each business activity based on returns generated on capital to facilitate growth/expansion of existing businesses (i.e. capital allocation);
- To establish the efficiency of capital utilization.

(a) Minimum Capital Requirement

The Parent complied with the minimum capital requirement of N3billion for non-life operations. This is shown under Shareholders' Fund in the Statement of Financial Position.

(b) Solvency Status

The Parent met the criteria for solvency margin as stated in section 24(1) of the Insurance Act, CAP I17, LFN 2003, the available solvency margin maintained is N57,839,087,930.

(c) Capital Adequacy Test

Based on the capital adequacy calculation below, NEM Insurance Plc has a surplus of N64.8 billion (2023: 38.2 billion).

	2024 N'000	2023 N'000
Shareholders' fund as per Statement of Financial Position	**65,439,157**	**38,695,671**
Less:		
Intangible Assets	(37,377)	(42,161)
Due from related parties	(648,576)	(488,576)
	(685,953)	**(530,737)**
Capital base	**64,753,204**	**38,164,934**

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Parent capital base is above the minimum capital requirement of N3billion specified by NAICOM.

Notes To The Consolidated And Separate Financial Statements Cont'd

(d) DETERMINATION OF SOLVENCY MARGIN

	Admissible	Inadmissible	2024	2023
	N'000	N'000	N'000	N'000
Cash and cash equivalents	12,575,363	196,293	12,771,656	7,082,792
Financial assets				
-FVTPL	11,409,434	-	11,409,434	10,463,494
-FVOCI	64,431	-	64,431	75,219
Treasury Bills	8,033,471	-	8,033,471	532,585
Commercial Papers	7,013,240	-	7,013,240	7,131,311
Placements above 90 days	26,505,860	-	26,505,860	11,450,493
Government Bonds	3,103,577	-	3,103,577	2,642,788
Corporate Bonds	3,467,376	-	3,467,376	3,741,613
Eurobonds	20,453,692	-	20,453,692	-
Premium receivables	253,022	-	253,022	354,531
Insurance contract assets	-	-	-	-
Reinsurance contract assets	15,910,561	-	15,910,561	9,433,042
Investment in Subsidiary	-	435,000	435,000	435,000
Staff loans and advances	104,067		104,067	108,114
Other receivables and prepayments	-	2,807,707	2,807,707	-
Investment Properties	643,209	3,087,376	3,730,585	2,353,946
Land & Building	356,791	3,796,509	4,153,300	1,353,117
Other Property, plant and equipment	609,680	-	609,680	
Right-of-use Assets	748,830	-	748,830	-
Intangible assets	37,377	-	37,377	42,161
Statutory deposit	320,000		320,000	320,000
Admissible assets	111,609,981	10,322,885	121,932,866	57,520,206
LIABILITIES				
Insurance contract liabilities	41,093,559	-	41,093,559	25,097,847
Other Technical liabilities	666,240	-	666,240	783,901
Borrowings	-	-	-	1,557,737
Provisions and other payables	4,568,064	-	4,568,064	2,015,522
Lease liabilities	495,722	-	495,722	473,241
Retirement benefits obligations	-	-	-	-
Current income tax liabilities	6,947,308	-	6,947,308	1,154,348
Deferred tax payable	-	2,722,816	2,722,816	-
Admissible liabilities	53,770,893	2,722,816	56,493,709	31,082,597
Available Solvency margin	57,839,088			26,437,609
A. Minimum share capital	3,000,000			3,000,000
B. 15% of Net premium	11,217,908			6,570,287
C. Required solvency (Higher of A and B)	11,217,908			6,570,287
Level of solvency (Available solvency margin/C)	516%			402%
Surplus in solvency	46,621,180			19,867,322

The Company's capital requirement ratio and Solvency margin are above the requirements of the Insurance Act CAP I17, LFN 2003. Based on the level of solvency computed, the company has a "**Level 1**" rating in accordance with NAICOM Solvency provisions and guidelines.

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Asset and Liability Management

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities.

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

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. The notes below show how the Group has managed its financial risks.

Company Hypothecation Table as at 31 December 2024

Assets	Policyholders funds	Shareholders' funds	Total
	N'000	N'000	N'000
Cash and cash equivalents	12,575,363	196,293	12,771,656
Financial assets			
-FVTPL	11,409,434	-	11,409,434
-FVOCI	-	64,431	64,431
- At amortised cost	64,711,467	3,865,750	68,577,216
Premium receivables	-	253,022	253,022
Reinsurance contract assets	15,910,561	-	15,910,561
Other receivables and prepayment	-	2,911,773	2,911,773
Investment in Subsidiaries	-	435,000	435,000
Investment properties	-	3,730,585	3,730,585
Statutory deposit	-	320,000	320,000
Intangible assets	-	37,377	37,377
Property, plant and equipment	-	4,762,981	4,762,981
Right-of-use Assets	-	748,830	748,830
Deferred tax assets	-	-	-
Total assets	104,606,825	17,326,041	121,932,866
Liabilities:			
Insurance contract liabilities	41,093,559	-	41,093,559
Other Technical liabilities	-	666,240	666,240
Borrowings		-	-
Other payables	-	4,568,064	4,568,064
Lease liabilities	-	495,722	495,722
Retirement benefit obligations	-	-	-
Income tax liability	-	6,947,308	6,947,308
Deferred tax liabilities	-	2,722,816	2,722,816
Total liabilities	41,093,559	15,400,150	56,493,709
Gap	63,513,267	1,925,891	65,439,158

Notes To **The Consolidated And Separate Financial Statements** Cont'd

Company Hypothecation Table as at 31 December 2023

Assets	Policyholders funds	Shareholders' funds	Total
	N'000	N'000	N'000
Cash and cash equivalents	7,082,792	824,759	7,907,551
Financial assets			
-FVTPL	10,463,494	-	10,463,494
-FVOCI	-	75,219	75,219
- At amortised cost	7,405,696	28,949,538	36,355,234
Premium receivables	-	354,531	354,531
Reinsurance contract assets	9,433,042	-	9,433,042
Other receivables and prepayment	-	1,875,423	1,875,423
Investment in Subsidiaries	-	435,000	435,000
Investment properties	-	2,353,946	2,353,946
Statutory deposit	-	320,000	320,000
Intangible assets	-	42,161	42,161
Property, plant and equipment	-	4,059,350	4,059,350
Right-of-use Assets	-	609,015	609,015
Deferred tax assets	-	-	-
Total assets	34,385,024	39,898,941	74,283,965
Liabilities:			
Insurance contract liabilities	25,097,847	-	25,097,847
Other Technical liabilities	-	783,901	783,901
Borrowings	-	1,557,737	1,557,737
Other payables	-	2,015,522	2,015,522
Lease liabilities	-	473,241	473,241
Retirement benefit obligations	-	-	-
Income tax liability	-	1,154,348	1,154,348
Deferred tax liabilities	-	4,505,697	4,505,697
Total liabilities	25,097,847	10,490,447	35,588,294
Gap	9,287,177	29,408,495	38,695,672

The main objectives of the Parent when managing capital are:

- to ensure that the Minimum Capital Requirement of N3 billion as required by the Insurance Act CAP I17, LFN 2003, is maintained at all times.

This is a risk based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Parent's assets, outstanding claims, unearned premium reserve and assets above a certain concentration limit.

OTHER NATIONAL DISCLOSURES

Other National Disclosure Statement of Value Added - Group

	2024 N'000	%	2023 N'000	%
Insurance revenue				
Local	97,966,541		52,112,435	
Foreign	-		-	
Other Income:				
Local	25,012,605		20,024,374	
Foreign	-		-	
	122,979,146		72,136,809	
Bought in Services:				
Local	(75,784,926)		(46,328,950)	
Foreign	-		-	
Value Added	47,194,221	100	25,807,859	100
Applied as follows:				
Employees				
Salaries and other employees benefits	4,069,355	9	2,310,268	9
Provider of Capital				
Dividend to Shareholders	3,009,887	6	1,504,943	6
Government				
Taxation	4,458,079	9	5,929,070	23
Retention and Expansion				
Depreciation and Amortisation Charges	599,861	1	463,879	2
Contingency reserves	5,816,465	12	2,650,915	10
Retained profit for the year	29,240,575	62	12,948,785	50
Value Added	47,194,221	100	25,807,859	100

Value added represents the additional wealth the Group has been able to create on its own and its employees' efforts. This statement shows the allocation of the wealth between employees, shareholders, government and that retained for the future creation of more wealth.

Other National Disclosure Statement of Value Added - Parent Cont'd

	2024 N'000	%	2023 N'000	%
Insurance Revenue:				
Local	96,644,516		51,993,997	
Foreign	-		-	
Other Income:				
Local	24,609,200		19,960,824	
Foreign	-		-	
	121,253,716		71,954,821	
Bought in Services:				
Local	(74,657,618)		(46,080,861)	
Foreign	-		-	
Value Added	46,596,097	100	25,873,960	100
Applied as follows:				
Employees				
Salaries and other employees benefits	3,690,148	8	2,099,928	8
Provider of Capital				
Dividend to Shareholders	3,009,887	6	1,504,943	6
Government				
Taxation	4,438,096	10	5,924,145	23
Retention and Expansion				
Depreciation and Amortisation Charges	559,179	1	439,452	2
Contingency reserves	5,816,465	12	2,650,915	10
Retained profit for the year	29,082,323	62	13,254,576	51
Value Added	46,596,097	100	25,873,960	100

Value added represents the additional wealth the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth between employees, shareholders, government and that retained for the future creation of more wealth.

Other National Disclosure Five Year Financial Summary-Group

Statement of Financial Position

Assets	2024 N'000	2023 N'000	2022 Restated N'000	2021 Restated N'000	2020 Restated N'000
Cash and Cash Equivalents	13,978,898	8,002,993	8,878,011	7,895,469	7,352,189
Financial assets					
- At fair value through profit or loss	11,409,434	10,463,494	5,800,623	5,354,017	4,479,121
- At fair value through other comprehensive income	64,431	75,219	53,731	84,884	81,318
- At amortised cost	68,577,216	36,355,234	12,159,020	8,143,491	6,105,529
Insurance Contract assets	-	-	-		
Premium Receivable	1,271,090	450,143	672,356	1,479,056	228,140
Reinsurance Contract Assets	15,910,561	9,433,042	9,472,703	7,428,571	4,703,036
Investment in Associate	-	-	-	-	412,741
Investment Properties	3,730,585	2,353,946	1,813,768	1,706,167	1,617,609
Intangible Assets	71,473	54,110	15,721	10	10
Property, plant and equipment	4,934,615	4,202,175	3,886,188	3,794,957	2,922,422
Right-of-use Assets	706,352	609,015	149,520	209,920	-
Other Receivables and Prepayment	3,257,300	2,148,365	723,429	414,712	470,727
Statutory Deposit	320,000	320,000	320,000	320,000	320,000
Deferred tax asset	-	-	256,411	257,505	263,035
Total Assets	124,231,955	74,467,735	44,201,481	37,088,759	28,955,877
Liabilities					
Insurance Contract Liabilities	42,330,564	25,285,724	14,674,166	11,557,642	7,939,241
Other Technical liabilities	718,236	857,381	487,527	410,728	585,327
Borrowings	-	1,557,737	-		
Other Payables	5,589,070	2,093,470	1,575,721	1,531,528	1,267,300
Lease Liabilities	462,408	473,241	35,999	139,623	47,963
Income Tax Liabilities	6,968,545	1,155,152	379,224	623,508	675,783
Deferred Tax Liability	2,723,991	4,507,627	3,687	10,387	-
Retirement Benefit Obligations	-	-	29,497	52,414	78,960
Total liabilities	58,792,815	35,930,332	17,185,821	14,325,830	10,594,574
Net Assets	65,439,141	38,537,404	27,015,659	22,762,929	18,361,303
Equity					
Share Capital	5,016,477	5,016,477	5,016,477	5,016,477	5,016,477
Share Premium	-	-	-	-	-
Other Reserves-gratuity	-	-	58,581	72,495	71,147
FVOCI reserve	(57,065)	(46,277)	(67,765)	(36,612)	(40,178)
Asset revaluation reserve	2,789,801	2,107,964	2,107,964	2,107,964	1,094,475
Contingency Reserve	15,653,975	9,837,510	7,186,595	6,098,784	5,213,927
Retained Earnings	41,966,836	21,578,802	12,713,807	9,503,821	7,005,455
Non controlling interests	69,116	42,927			
Shareholders' Fund	65,439,140	38,537,403	27,015,659	22,762,929	18,361,303

Other National Disclosure Five Year Financial Summary-Group

Income Statement

	2024 N'000	2023 N'000	2022 Restated N'000	2021 Restated N'000	2020 Restated N'000
Insurance revenue	97,966,541	52,112,435	31,433,600	26,545,254	21,682,189
Insurance Service exp	(61,008,412)	(34,218,973)	(22,693,835)	(18,947,902)	(13,377,938)
Net expenses on Reinsurance contracts	(18,138,541)	(12,795,475)	(2,480,675)	(747,957)	(2,324,108)
Insurance Service Result	**18,819,588**	**5,097,987**	**6,259,090**	**6,849,395**	**5,980,143**
Other Revenue	24,684,930	19,789,453	3,071,200	1,785,351	2,490,666
Other Expenses	(9,805,863)	(6,009,585)	(3,832,201)	(4,207,514)	(3,289,820)
Profit Before Tax	**33,698,654**	**18,877,855**	**5,498,089**	**4,427,232**	**5,180,989**
Income tax	(4,458,079)	(5,929,070)	(96,667)	(141,043)	(96,337)
Profit For the Year	**29,240,575**	**12,948,785**	**5,401,422**	**4,286,189**	**5,084,652**
Other Comprehensive (loss)/income for the year	671,049	10,025	(45,067)	1,018,403	(29,018)
Total Comprehensive Income for the year	**29,911,625**	**12,958,810**	**5,356,355**	**5,304,592**	**5,055,634**
Basic EPS (Kobo)	582	260	108	85	96
Diluted Basic EPS (Kobo)	582	260	108	85	96

Other National Disclosure Five Year Financial Summary-Parent

Statement of Financial Position

	2024	2023	2022 Restated	2021 Restated	2020 Restated
Assets	N'000	N'000	N'000	N'000	N'000
Cash and Cash Equivalents	12,771,656	7,907,551	8,842,182	7,841,181	7,326,758
Financial Assets					
- At fair value through profit or loss	11,409,434	10,463,494	5,800,623	5,354,017	4,479,121
- At fair value through other comprehensive income	64,431	75,219	53,731	84,884	81,318
- At amortised cost	68,577,216	36,355,234	12,159,020	8,143,491	6,105,529
Insurance contract assets	-	-	-	-	-
Premium Receivable	253,022	354,531	672,356	1,479,056	228,140
Reinsurance Contract Assets	15,910,561	9,433,042	9,472,703	7,428,571	4,703,036
Investment in Associate	-	-	-	-	412,741
Investment in Subsidiary- NEM Asset Management Limited	435,000	435,000	150,000	150,000	100,000
Investment Properties	3,730,585	2,353,946	1,813,768	1,706,167	1,617,609
Intangible Assets	37,377	42,161	15,721	10	10
Property, plant and equipment	4,762,981	4,059,350	3,878,192	3,784,962	2,922,422
Right-of-use Assets	748,830	609,015	149,520	209,920	-
Other Receivables and Prepayments	2,911,773	1,875,423	581,362	263,776	374,862
Statutory Deposit	320,000	320,000	320,000	320,000	320,000
Deferred tax asset	-	-	253,568	253,568	253,568
Total Assets	121,932,866	74,283,965	44,162,746	37,019,603	28,925,114
Liabilities					
Insurance Contract Liabilities	41,093,559	25,097,847	14,674,166	11,557,642	7,939,241
Other Technical liabilities	666,240	783,901	487,527	410,728	585,327
Borrowings	-	1,557,737	-	-	
Other Payables	4,568,064	2,015,522	1,570,560	1,499,104	1,266,000
Lease liabilities	495,722	473,241	35,999	139,623	47,963
Income Tax Liabilities	6,947,308	1,154,348	378,179	618,736	670,286
Deferred Tax Liability	2,722,816	4,505,697	3,687	10,387	-
Retirement Benefit Obligations	-	-	29,497	52,414	78,960
Total liabilities	56,493,709	35,588,294	17,179,615	14,288,634	10,587,777
Net Assets	65,439,157	38,695,672	26,983,131	22,730,969	18,337,337
Equity					
Share Capital	5,016,477	5,016,477	5,016,477	5,016,477	2,640,251
Share Premium	-	-	-	-	272,551
Other Reserves-gratuity	-	-	72,495	71,147	111,455
FVOCI reserve	(57,065)	(46,277)	(36,612)	(40,178)	(51,468)
Asset revaluation reserve	2,789,801	2,107,964	2,107,964	1,094,475	1,094,475
Contingency Reserve	15,653,975	9,837,510	6,098,784	5,213,927	4,198,848
Retained Earnings	42,035,969	21,779,997	9,471,861	6,981,489	5,816,923
Shareholders' Fund	65,439,157	38,695,671	22,730,969	18,337,337	14,083,035

Other National Disclosure Five Year Financial Summary-Parent
Income Statement

	2024	2023	2022 Restated	2021 Restated	2020 Restated
INCOME STATEMENT	N'000	N'000	N'000	N'000	N'000
Insurance revenue	96,644,516	51,993,997	31,433,600	26,545,254	21,682,189
Insurance Service exp	(60,126,501)	(34,116,367)	(22,693,835)	(18,947,902)	(13,377,938)
Net expenses on Reinsurance contracts	(18,138,541)	(12,795,475)	(2,480,675)	(747,957)	(2,324,108)
Insurance Service Result	**18,379,474**	**5,082,155**	**6,259,090**	**6,849,395**	**5,980,143**
Other Revenue	24,281,524	19,725,902	3,054,134	1,743,972	2,449,659
Other Expenses	(9,140,579)	(5,629,337)	(3,817,429)	(4,181,855)	(3,260,991)
Profit Before Tax	**33,520,419**	**19,178,721**	**5,495,795**	**4,411,512**	**5,168,811**
Income tax	(4,438,096)	(5,924,145)	(94,941)	(133,317)	(93,416)
Profit For the Year	**29,082,323**	**13,254,576**	**5,400,854**	**4,278,195**	**5,075,395**
Other Comprehensive (loss)/income for the year	671,049	10,025	(45,067)	1,018,403	(29,018)
Total Comprehensive Income for the year	**29,753,372**	**13,264,601**	**5,355,787**	**5,296,598**	**5,046,377**
Basic EPS (Kobo)	580	264	108	85	96
Diluted Basic EPS (Kobo)	580	264	108	85	96

Shareholding Structure/Free Float Status

Description	December 31, 2024 Unit	December 31, 2024 Percentage	December 31, 2023 Unit	December 31, 2023 Percentage
Issued Share Capital	5,016,477,766		5,016,477,766	
Substantial Shareholdings (5% and above)				
AFIG FUND	749,963,426	14.95%	1,499,926,852	29.90%
CAPITAL EXPRESS ASSURANCE LIMITED	364,318,306	7.26%	364,318,306	7.26%
BUKSON INVESTMENT LIMITED	320,201,645	6.38%	320,201,645	6.38%
JEIDOC LIMITED	350,023,219	6.98%	350,023,219	6.98%
APEL ASSET TRUST LTD NOMINEES	250,823,888	5.00%		0.00%
Total Substantial Shareholdings	2,035,330,484	40.57%	2,534,470,022	50.52%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
MR TOPE SMART	120,411,652	2.40%	120,411,652	2.40%
MR ANDREW IKEKHUA	1,362,856	0.03%	1,362,856	0.03%
MRS BISOLA GIWA-OSAGIE	13,986,656	0.28%	13,986,656	0.28%
MR. IDOWU SEMOWO	15,770,847	0.31%	15,270,847	0.30%
MR. YEMI MAYADENU	1,262,134	0.03%		
MR. KELECHI OKORO	4,005,153	0.08%		
JOY TELUWO	253,044	0.01%	253,044	0.01%
DR. FIDELIS AYEBAE		0.00%	23,155,158	0.46%
Total Directors' Shareholdings	157,052,342	3.13%	174,440,213	3.48%
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	2,824,094,940	56.30%	2,307,567,531	46.00%
Free Float in Value	₦ 30,923,839,593.00		₦ 22,844,918,556.90	

Declaration:

(A) NEM Insurance Plc with a free float percentage of 56.30% as at 31st December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) NEM Insurance Plc with a free float value of N30,923,839,593. as at 31st December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) NEM Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders with respect to their dealing in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

Rules Governing Free Float Requirements
In accordance with Rule 2.2 – Rules Governing Free Float Requirement:
NEM Insurance plc complies with the Exchange's free Float requirement.

SHAREHOLDERS INFORMATION

PROXY FORM

NUMBER OF SHARES HELD:	FOR	AGAINST
1.0 ORDINARY BUSINESS		
To receive the account and the Reports thereon		
To declare a dividend		
To re-elect Alhaji Ahmed Yakasai as a Director		
To re-elect Mrs Joy Teluwo as a Director		
To authorize the Directors to fix the remuneration of the External Auditors		
To elect members of the Statutory Audit Committee		
To disclose the Remuneration of Managers of the company in line with Section 257 of the Companies and Allied Matters Act, 2020		
2.0 SPECIAL BUSINESS		
To ratify the appointment of Mr. Adeyemi Mayadenu as Executive Director (Technical)		
To approve the remuneration of Non-Executive Directors.		
To consider and if thought fit, pass the resolution as an ordinary resolution of the Company: “That the general mandate given to the company to enter into recurrent transactions with related parties for the company’s day-to-day operations, including amongst others the procurement of goods and services, on normal commercial terms be and is hereby renewed.		

Indicate with “X” in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his / her discretion. Before posting the above form, please tear off this part and retain it for admission to the meeting.

ADMISSION FORM

NEM INSURANCE PLC 55TH ANNUAL GENERAL MEETING

Please admit the shareholder named on this form or his duly appointed proxy to the Annual General Meeting to be held at:

The Shell Hall, Muson Centre,
8/9, Marina, Onikan, Lagos.
On Tuesday 20TH May 2025 at 10.00am

Name of Shareholder(s):
……………………..………………………………………………………………………………
Note: You are requested to sign this form at the entrance in the presence of the Registrar on the day of the AGM……………………………………………………………………………………………….

PROXY FORM Cont'd

I/We………

being a Shareholder/Shareholders of NEM Insurance Plc, hereby appoint any of the underlisted persons as my/our Proxy to act and vote for me/us on my/our behalf at the 55th Annual General Meeting to be held on Tuesday, 20th May 2025 and at any adjournment thereof.

1. Mr. Tope Smart	Chairman
2. Mr. Andrew Ikekhua	Managing Director
3. Mr. Idowu Semowo	Executive Director
3. Mrs. Ifunanya Iwuagwu	Company Secretary
4. Mr. Christopher Ogba	Shareholder
5. Mr. Samuel Mpamaugo	Shareholder
6. Mr. Taiwo Oderinde	Shareholder

Dated this ……………………………. Day of …………………………………………….. 2025

Signature: ……………………………………………………………………………………………

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his stead. All proxies must reach the Registrars, Apel Capital Registrars Limited 8, Alhaji Bashorun Street off Norman Williams Crescent South-West Ikoyi, Lagos or emailed to registrars@apel.com.ng not less than forty-eight (48) hours before the time of holding the meeting. A proxy need not to be a member of the company.

2. In the case of joint shareholders any one of such may complete the form, but the names of all joint shareholders must be stated.

3. It is a requirement of the law under the Stamp Duties Act. Cap S8 Laws of Federation of Nigeria 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear a Stamp Duty. This shall be at the company's expense.

4. If the shareholder is a corporation this form must be under its common seal or under the hand of any officer or attorney duly authorized in that behalf.

IMPORTANT

Please insert your name in **BLOCK CAPITALS** on both proxy and admission forms.

Apel Capital
Registrars Limited

PASSPORT PHOTOGRAPH HERE

SHAREHOLDER'S INFORMATION UPDATE

The Registrar,
Apel Capital Registrars Limited
8, Alhaji Bashorun Street
Off Norman Williams Crescent S.W. Ikoyi
Lagos State.

Kindly update my information with the following details below:

FULL NAME

CONTACT ADDRESS

EMAIL ADDRESS

MOBILE NUMBER

REMARK

Thank you,

Yours faithfully

Signature(s)

Company seal (if applicable)

Joint/Company's Signatories

Tick	Name of Company	Shareholder's Acct NO.
	ADAS PROGRAMME LIMITED	
	AIICO BALANCED FUND	
	ANINO INT'L PLC	
	ARBICO PLC	
	CALIPHATE SUKUK SPV LIMITED	
	CHAPEL HILL DENHAM MONEY MARKET FUND	
	CITITRUST FINANCIAL SERVICES PLC	
	EUNISELL INTERLINKED PLC	
	FSL ASSET MANAGEMENT MUTUAL FUND	
	INTERNATIONAL BREWERIES PLC	
	JEWEL SUKUK SPV LIMITED	
	JINLAS NIGERIA PLC	
	KSIP FUNDING SPV LIMITED SERIES 1	
	KSIP FUNDING SPV LIMITED SERIES 2	
	LAGOS COMMODITIES & FUTURES EXCHANGE	
	LASACO ASSURANCE PLC	
	LEAD UNIT TRUST SCHEME	
	LINKAGE ASSURANCE PLC	
	MANZ SPV LIMITED	
	MASS TELECOM INNOVATION PLC	
	METAL SECURITY PRODUCTS LTD	
	MUTUAL BENEFITS ASSURANCE PLC	
	MUTUAL TRUST MICROFINANCE BANK LTD	
	NCR NIGERIA PLC	
	NEM INSURANCE PLC	
	OGC FOODS & BEVERAGES LIMITED	
	PARAMOUNT EQUITY FUND	
	PHARMA DEKO PLC	
	RED STAR EXPRESS PLC	
	RICHGREEN MASTER INVESTMENT LIMITED	
	SKYWAY AVIATION HANDLING CO. PLC	
	TAJ SUKUK ISSUANCE PROGRAMME SPV PLC	
	THE INITIATES PLC	
	THE NIGERIA FOOTBALL FUND	
	VITAL PRODUCTS LIMITED	

SECOND FOLD HERE

Please Afix

Postage Stamp

FIRST FOLD HERE

APEL Capital Registrars Limited
8, Alhaji Bashorun Street
Off Norman Williams
Crescent South West Ikoyi
Lagos.

THIRD FOLD HERE

Apel Capital
Registrars Limited

E-DIVIDEND MANDATE ACTIVATION FORM

PASSPORT PHOTOGRAPH HERE

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Apel Capital Registrars Limited.
8, Alhaji Bashorun Street
Off Norman Williams Str, S.W Ikoyi Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

BVN ______________________________

BANK NAME ______________________________

ACCOUNT NUMBER ______________________________

ACCOUNT OPENING DATE ______________________________

SHAREHOLDER'S ACCOUNT INFORMATION

Surname/Company name | First Name | Other Name

Address

City | State | Country

Previous Address(if any)

CHN (if any)

Mobile telephone 1 | Mobile telephone 2

Email address

Signature(s) | Company seal (if applicable)

Joint/Company's Signatories

Note: This service cost N150.

Tick	Name of Company	Shareholder's Acct NO.
	ADAS PROGRAMME LIMITED	
	AIICO BALANCED FUND	
	ANINO INT'L PLC	
	ARBICO PLC	
	CALIPHATE SUKUK SPV LIMITED	
	CHAPEL HILL DENHAM MONEY MARKET FUND	
	CITITRUST FINANCIAL SERVICES PLC	
	EUNISELL INTERLINKED PLC	
	FSL ASSET MANAGEMENT MUTUAL FUND	
	INTERNATIONAL BREWERIES PLC	
	JEWEL SUKUK SPV LIMITED	
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	TAJ SUKUK ISSUANCE PROGRAMME SPV PLC	
	THE INITIATES PLC	
	THE NIGERIA FOOTBALL FUND	
	VITAL PRODUCTS LIMITED	

Address: 8, Alhaji Bashorun Street, Off Norman Williams Crescent, S.W. Ikoyi Lagos
Email: registrars@apel.ng | **Tel:** 07046126698

SECOND FOLD HERE

Please Afix

Postage Stamp

FIRST FOLD HERE

APEL Capital Registrars Limited
8, Alhaji Bashorun Street
Off Norman Williams
Crescent South West Ikoyi
Lagos.

THIRD FOLD HERE

NEM
...together to succeed
NEM Insurance Plc RC:6971

NEM HOUSE:
199, Ikorodu Road, Obanikoro
P.O Box 654 Marina, Lagos

Tel: 02014489560-4
NEM Support Centre - 02014489570-2

Email: nem@nem-insurance.com

Website: nem-insurance.com