

FINANCIAL FORECAST

FOR THE PERIOD ENDING

31ST MARCH 2023





NEM HOUSE
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Dr. Fidelis Ayebae (Chairman), Tope Smart (Group Managing), Yakasai Ahmed (Independent), Yinka Aletor (Non-Executive), Ede Dafinone (Non-Executive), Joy Teluwo (Non-Executive), Andrew Ikekhua (Executive)

• NIGERIA

• GHANA

NEM INSURANCE PLC		
STATEMENT OF FINANCIAL POSITION FORECAST FOR THE PERIOD		
ENDING 31ST MARCH 2023		
		2023
ASSETS	NOTES	N'000
Cash and Cash equivalents	3	9,144,509
Financial Assets		
Fair value through profit or loss	4	6,544,745
Fair value through other comprehensive Income	4	84,884
Amortised cost	4	11,552,181
Trade receivables	5	1,786,272
Reinsurance Assets	6	8,859,289
Deferred Acquisition costs	7	1,905,848
Other receivables and prepayments	8	1,122,021
Investment in Associates	9	-
Investment in Subsidiary	10	150,000
Investment Property	11	1,756,667
Statutory Deposit	12	320,000
Intangible Assets	40	23,338
Property Plant and equipment	13	4,202,634
Deferred Tax Asset	19	253,568
Total Assets		<u>47,705,956</u>
LIABILITIES		
Insurance contract liability	14	15,464,450
Trade Payables	15	559,503
Other payables	16	1,532,294
Retirement benefit obligations	17	41,414
Income tax liability	18	1,595,859
Deferred tax liability	20	10,387
		<u>19,203,906</u>
Share capital	21	5,016,477
Share Premium		-
Statutory contingency reserves	22	7,176,985
Retain earnings	23	14,168,449
FVOCI reserves	24	(33,287)
Asset revaluation reserve	25	2,118,889
Other reserve - Employee benefit	26	54,536
Total equity		<u>28,502,049</u>
Total Equity and Liabilities		<u>47,705,956</u>
The financial forecast was approved on 30th November, 2022 and signed :		
 Mr. Tope Ajmal (GMD/CEO) FRC/2013/CIIN/00000001331	 Mr. Idowu Semawo (CFO) FRC/2013/ICAN/00000001466	

NEM INSURANCE PLC		
STATEMENT OF COMPREHENSIVE INCOME FORECAST		
FOR THE PERIOD ENDING 31ST MARCH 2023		
	Notes	2023
		N'000
Gross premiums written	29	15,330,000
Decrease/(Increase) in unearned income		<u>(2,176,481)</u>
Gross premiums earned		13,153,519
Reinsurance expenses	33	<u>(2,437,136)</u>
Net premiums income		10,716,383
Fee and commission income	34	<u>607,088</u>
Net underwriting income		11,323,471
Claims expenses	35	(3,403,386)
Underwriting expenses	36	<u>(3,690,075)</u>
Underwriting profit		4,230,010
Investment Income	37	425,000
Fair value gain		.
Other income	38	67,825
Profit /(loss) on disposal of Assets		16,300
Share of profit in Associate		-
Other operating and admin. Expenses	39	(2,046,634)
Impairment of Investment in Associate		-
Allowances for credit losses		<u>(33,455)</u>
Profit before taxation		2,659,046
Income taxes		<u>(265,905)</u>
Profit after tax		2,393,141
Other Comprehensive Income		
		<u>2,393,141</u>
ROE		0.08
EPS		0.24

NEM INSURANCE PLC							
REVENUE ACCOUNT FORECAST FOR THE PERIOD ENDING 31ST MARCH, 2023							
	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GASS	AGRIC	TOTAL
	N'000	N'000	N'000	N'000	N'000		N'000
INCOME							
Direct Business Premium	4,700,871	1,442,106	3,988,158	2,790,194	2,183,630	59,140	15,164,100
Reinsurance Inward	19,244	10,684	82,121	49,936	2,329	1,586	165,900
Gross Premium	4,720,115	1,452,790	4,070,279	2,840,130	2,185,960	60,726	15,330,000
Reinsurance Expenses	29,282	267,670	868,709	634,801	622,121	14,553	2,437,136
Premium Written	4,690,833	1,185,120	3,201,570	2,205,329	1,563,838	46,173	12,892,864
Decrease in Provision for Unexpired Risk	-	-	-	-	-	-	-
Net Premium	4,690,833	1,185,120	3,201,570	2,205,329	1,563,838	46,173	12,892,864
Deduct.							
Increase in Unexpired Risk	630,658	172,064	575,234	388,812	370,808	38,905	2,176,481
Premium Earned	4,060,175	1,013,056	2,626,336	1,816,517	1,193,031	7,269	10,716,383
Commission Received	5,124	66,917	217,177	158,700	155,530	3,638	607,088
Net Income	4,065,299	1,079,974	2,843,513	1,975,217	1,348,561	10,907	11,323,471
CLAIMS EXPENSES							
Direct Claims Paid	(1,652,040)	(508,476)	(1,424,598)	(994,046)	(765,086)	(6,073)	(5,350,319)
Increase in Prov. For Outstanding Claims	(17,366)	(29,461)	(58,128)	(213,222)	(3,773)	(42)	(321,991)
Total Expenses	(1,669,406)	(537,937)	(1,482,726)	(1,207,267)	(768,859)	(6,115)	(5,672,310)
RECOVERIES FROM EXPENSES							
Outward Reinsurance Recoveries	667,762	215,175	593,090	482,907	307,544	2,446	2,268,924
Decrease in Prov. For Outstanding Claims	-	-	-	-	-	-	-
Claims Incurred	(1,001,644)	(322,762)	(889,635)	(724,360)	(461,315)	(3,669)	(3,403,386)
UNDERWRITING EXPENSES							
Acquisition	(466,111)	(229,541)	(482,328)	(448,741)	(345,382)	(9,595)	(1,981,697)
Maintenance	(599,641)	(171,467)	(495,430)	(256,257)	(187,922)	2,337	(1,708,378)
	(1,065,752)	(401,008)	(977,758)	(704,997)	(533,303)	(7,257)	(3,690,075)
Net Income after claims incurred and Underwriting Expenses	1,997,903	356,204	976,120	545,859	353,942	(19)	4,230,010

NEM INSURANCE PLC**STATEMENT OF CASH FLOW FORECAST FOR THE PERIOD ENDING 31ST MARCH 2023**

	N'000
Premium received from policy holders	15,330,000
Reinsurance premium paid	(2,437,136)
Fees and commission received	607,088
Direct Claims paid	(5,672,310)
Claims paid on behalf of co-assurance company	
Claims received from reinsurers	2,268,924
Claims received from co-assurance companies	600,500
Commission paid	(2,981,697)
Maintenance Expenses paid	(2,708,378)
Cash paid to and on behalf of employees	(560,100)
Other operating expenses paid	(2,046,634)
Company income tax paid	(265,905)
	<hr/>
	2,134,352
Cash flows from Investing activities	
Purchase of FVTPL	932,489
Short term placement above 90 days	(300,400)
Proceed from short term	401,200
Proceed from FVTPL	950,400
Investment income received	425,000
Acquisition of PPE	(1,138,589)
Proceed from PPE	-
	<hr/>
Net cash flow from investing activities	1,270,100
Cash flow from financing activities	
Dividend payable	(1,449,933)
	<hr/>
	1,954,519
Balance at the beginning	7,189,990
Balance at the end	<hr/>
	9,144,509

NEM INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 31ST MARCH, 2023

	Issued	Share	Contingency Reserves	Valuation	Gratuity	FVOCI Reserve	Revaluation Reserve	Retain Earnings	2023 Total
	N'000								
At January 1, 2023	5,016,477	-	6,698,357	72,495	(36,612)	2,107,964	13,703,869	27,562,550	
Additions	-	-	-	-	-	10,925	-	10,925	
Profit for the year	-	-	-	-	-	-	2,393,141	2,393,141	
Transfer to Contingency reserves	-	-	478,628	-	-	-	(478,628)	-	
Mo	-	-	-	(17,959)	3,325	-	-	(14,634)	
Other Comprehensive Income									
Actuarial gain on defined benefit plan	-	-	-	-	-	-	-	-	
Gains on the listing of MTN on the floor NSE	-	-	-	-	-	-	-	-	
Distribution to owners									
Dividend paid during the year	-	-	-	-	-	-	(1,449,933)	(1,449,933)	
As at 31st MARCH, 2023	5,016,477	-	7,176,985	54,536	(33,287)	2,118,889	14,168,449	28,502,049	

NEM INSURANCE PLC Note 14	PROPERTY PLANT AND EQUIPMENT FORECAST							Total N'000	Software N'000
	Land N'000	Building N'000	Machinery & Equipment N'000	Motor Vehicle N'000	Furniture & Fittings N'000	Office Equipment N'000			
At 1st January 2023	763,430	2,796,524	21,370	182,122	8,993	100,359	3,872,798	29,172	
Additions	-	10,000	12,000	510,000	100,000	316,320	948,320		
Revaluation	-	10,925	-	-	-	-	10,925		
Disposal	-	-	-	-	-	-	-		
At 31st MARCH, 2023	763,430	2,817,449	33,370	692,122	108,993	416,679	4,832,043	29,172	
Depreciation/Amortisation									
At 1st January 2023	-	18,643	2,225	46,141	7,266	27,779	102,054		
Charge for the year	-	55,930	6,674	138,424	21,799	83,336	306,163	5,834	
Depreciation on Disposal	-	-	-	-	-	-	-		
At 31st MARCH, 2023	-	74,574	8,899	184,566	29,065	111,114	408,218	5,834	
Net Book Value									
At 31st MARCH, 2023	763,430	2,742,875	24,471	507,556	79,928	305,565	4,202,634	23,338	

NEM INSURANCE PLC	
NOTES TO THE FINANCIAL STATEMENTS	
	2023
3. CASH AND CASH EQUIVALENTS	N'000
Cash - Petty cash	1,430
Balances with banks	812,763
Places with financial institutions	8,363,771
	9,177,964
Allowance for credit loss	(33,455)
Total Cash and Cash equivalents	9,144,509
Short-term deposits are made for varying periods averaging between 1- 90days depending on the immediate cash requirements of the Company .	
The carrying amounts disclosed above are reasonably appropriate fair value at the reporting date.	
4. Financial Assets	N'000
Fair value through profit or loss	6,544,745
Fair value through other comprehensive income	84,884
Financial asset at amortised cost	11,552,181
	18,181,811
Fair value through profit or loss	
Balance at the beginning of the year	5,589,375
Reclassified from FVOCI	.
Purchases	778,270
Fair value loss/ gains	177,100
Disposal	-
Balance at the end of the year.	6,544,746
Management valued the company's quoted investments at the market value which is 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 the fair value is determined by reference to published prices quotations in an active market .	
Fair value through other comprehensive income.	
Financial assets at fair value through other comprehensive income (FVOCI) comprise:	
Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise as FVOCI.	
The components	N'000
Opening	84,884
Fair Value Gain/Loss	-
Addition	-
	84,884

	29
Fair value at amortised cost	N'000
Balance as at 1st January, 2021	10,410,152
Addition	932,489
Fixed Deposit over 90 days and bonds from gover and corporate organisations	11,342,641
5. Trade receivables	N'000
Premium receivables	1,786,272
Company observed the policy of No Premium, No cover instituted by National Insurance Commission strictly but recorngnized thirty day credit notes by Brokers only.	
6 . Reinsurance Assets	N'000
Reinsurance share of UPR	1,658,494
Reinsurance share of IBNR	2,043,557
Reinsurance share of outstanding Claims	2,685,612
Prepaid Reinsurance expense	
Reinsurance share of Claims paid	2,143,041
Co assurance receivable	328,584
Reinsurance debtors	-
	<u>8,859,289</u>
Reinsurance assets are subject to Acturial Valuation by EY- a professional valuers. This is usually yearly and is the year end. The next one will be by the end of this year	
7. DEFERRED ACQUISITION COST	N'000
Balance at the beginning of the year	1,379,068
Commission paid during the year	2,508,477
Amortised acquisition during the year.	- 1,981,697
Balance at the year end	<u>1,905,848</u>
8. Prepayment and other receivables	N'000
Interest Receivable	95,018
Rent & Prepaid commossion	16,077
Withholding tax recevablr	107,208
Stock brokers	3,192
Other receivables	900,525
	<u>1,122,021</u>
9. Investment in Associate	N'000
Balance at the beginning of the year	-
Imparment	-
balance at the year end	<u>-</u>

10. Investment in Subsidiary	N'000
NEM Asset Managent Ltd	
100% interest in NEM Asset Management ltd.	
Opening	150,000
Addition	-
	<u>150,000</u>
11. Investment Property	N'000
Balance at the beginning of the year	1,709,167
Addition during the year	-
Reclassified from PPE	-
Revaluation gain	47,500
Balance at the year end	<u>1,756,667</u>
This is building under construction which has now been completed and even rented out to generate rental income for the company. Since this is not put into use by the company but rented out to generate income, it must be reclassified from PPE to Investment property.	
12. Statutory Deeposit	N'000
Deposit with the Central Bank of Nigeria in accordance with the provisions of Insurance Act, 2003	320,000
14. Insurance Contract Liability	N'000
Outstanding Clams reserve	3,582,985
Incurred but not reported IBNR	3,375,076
Total Outstanding claims	6,958,061
Unearned premuim reserve	8,506,388
	<u>15,464,450</u>
15. Trade Payable	N'000
Due to reinsurance broker - AON	189,635
SCIB	153,357
Others	216,511
	<u>559,503</u>

16. Other Payables	N'000
Accruals	293,876
Unclaimed Dividend	933,642
Other creditor	25,681
Deferred acquisition income	279,096
	<u>1,532,294</u>
17. Retirement Benefit obligation⁷	N'000
Amount recognised in statement of financial p	41,414
This is valued yearly by EY also	
18. Taxation	N'000
Per financial position	1,719,455
Income tax for the year	265,905
Paid during the year	(389,500)
Balance at the year end	<u>1,595,859</u>
19. Deferred tax asset	N'000
Balance at the beginning of the year	253,568
Movement during the year	-
Balance at the year end	<u>253,568</u>
20. Deferred tax liability	N'000
Balance at the beginning of the year	10,387
Change during the year	
Revaluation Surplus	
Balance at the year end	<u>10,387</u>
21. Issued Share Capital	N'000
Authorised Share Capital	
	<u>5,200,000</u>
Ordinary share capital of 100k issued and fully paid.	
	5,016,477

22. Statutory contingency reserve	N'000
Balance at the beginning of the year	6,698,357
Transfer from revenue	478,628
Balance at the year end	<u>7,176,985</u>
23. Retain earnings	N'000
Balance at the beginning of the year	13,703,869
Profit for the year	2,393,141
Transfer to contingency reserve	(478,628)
	-
	-
Dividend	(1,449,933)
	<u>14,168,449</u>
24. FVOCI reserve	N'000
Balance at the beginning of the year	(36,612)
Movement during the year	<u>3,325</u>
Balance at the year end	<u>(33,287)</u>
25. Asset revaluation reserve	N'000
Balance at the beginning of the year	2,107,964
Addition	
Revaluatin amount -gain	10,925
Transfer to deferred tax liability	
Balance at the year end	<u>2,118,889</u>
This represent the revaluation of our head office Property by Jide Taiwo -an estate	

26. Other reserves- Employee benefit	N'000
Balance at the beginning of the year	72,495
Movement during the year	(17,959)
Balance at the year end	54,536
	15,164,100
27. Direct premium	N'000
Motor	4,700,871
Marine	1,442,106
Fire	3,988,158
General Accident	2,790,194
Oil and Gass	2,183,630
Agric	59,140
	15,164,100
	165,900
28. Reinsurance Inward	N'000
Motor	19,244
Marine	10,684
Fire	82,121
General Accident	49,936
Oil and Gass	2,329
Agric	1,586
	165,900
29. Gross Written premium	N'000
Direct premium	15,164,100
Reinsurance Inward	165,900
	15,330,000
30. Unexpired Risk	
Opening Balance	N'000
Motor	2,081,833
Marine	1,322,112
Fire	1,085,200
General Accident	1,061,807
Oil and Gass	765,968
Agric	12,987
	6,329,907

31 Unexpired Risk	N'000
Closing Balance	
Motor	(2,712,491)
Marine	(1,494,176)
Fire	(1,660,434)
General Accident	(1,450,619)
Oil and Gass	(1,136,776)
Agric	(51,892)
	(8,506,388)
32.1 Increase in unexpired risks	N'000
Opening	6,329,907
Closing	(8,506,388)
	(2,176,481)
32.1a Breakdown of the (Increase)/Decrease	N'000
Motor	(630,658)
Marine	(172,064)
Fire	(575,234)
General Accident	(388,812)
Oil and Gass	(370,808)
Agric	(38,905)
	(2,176,481)
33 Reinsurance expenses	N'000
Motor	29,282
Marine	267,670
Fire	868,709
General Accident	634,801
Oil and Gass	622,121
Agric	14,553
	2,437,136
34 Fees and commission Received	N'000
Motor	5,124
Marine	66,917
Fire	217,177
General Accident	158,700
Oil and Gass	155,530
Agric	3,638
	607,088
35 Claim expenses	N'000
Motor	(1,001,644)
Marine	(322,762)
Fire	(889,635)
General Accident	(724,360)
Oil and Gass	(461,315)
Agric	(3,669)
	(3,403,386)

Gross	
36 Underwriting expenses	N'000
Acquisition expenses	1,981,697
Maintenance expenses	1,708,378
	<u>3,690,075</u>
	3,690,075
36.1 Underwriting expenses	N'000
Motor	1,143,923
Marine	350,926
Fire	970,490
General Accident	678,974
Oil & Gas	531,371
Agric	14,391
	<u>3,690,075</u>
36.2 Acquisition expenses	N'000
Motor	466,111
Marine	229,541
Fire	482,328
General Accident	448,741
Oil and Gass	345,382
Agric	9,595
	<u>1,981,697</u>
36.3 Commission	N'000
Motor	590,014
Marine	290,558
Fire	610,542
General Accident	568,026
Oil and Gass	437,192
Agric	12,145
	<u>2,508,477</u>
	1,708,378
36.4 Maintenance expenses	N'000
Motor	599,641
Marine	171,467
Fire	495,430
General Accident	256,257
Oil and Gass	187,922
Agric	(2,337)
	<u>1,708,378</u>
37. Investment Income	N'000
CBN Interest	3,438
Others	421,562
	<u>425,000</u>

