Deloitte.

CUSTODIAN INVESTMENT PLC

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

Financial Statements
Executive summary/financial highlights

Asset and liability highlight

In thousands of naira	**Group** **31-Dec-22**	**Group** **Restated** **31-Dec-21**	**Company** **31-Dec-22**	**Company** **31-Dec-21**
Cash and cash equivalents	22,044,849	17,176,184	1,855,128	601,326
Financial assets	136,467,520	113,959,758	3,842,238	5,474,647
Investment properties	11,901,485	11,760,655	7,081,416	7,081,066
Property, plant and equipment	13,279,230	4,696,005	401,425	94,548
Insurance contract liabilities	100,079,820	85,036,841	-	-
Equity attributable to owners of the parent	**63,170,401**	**55,156,865**	**30,559,371**	**28,540,308**
Total Assets	**213,197,374**	**184,471,539**	**34,014,366**	**31,080,034**

Income statement highlights

In thousands of naira	**Group** **31-Dec-22**	**Group** **31-Dec-21**	**Company** **31-Dec-22**	**Company** **31-Dec-21**
Gross Revenue	**103,075,430**	**85,740,334**	**7,003,017**	**6,017,048**
Gross Premium Income	*74,137,451*	*66,228,179*	-	-
Sales	*5,896,957*	*825,404*	-	-
Dividend Income	*919,335*	*635,842*	*5,093,706*	*4,274,082*
Fees and Commission	*6,154,399*	*5,537,174*	-	-
Other Operating Income	*838,603*	914,316	*1,405,559*	*1,462,779*
Interest Income	*15,128,685*	*11,599,419*	*503,752*	*280,187*
Operating Expenses	**(61,118,296)**	**(52,553,398)**	**-**	**-**
Reinsurance Expenses	(27,268,775)	(25,346,914)	-	-
Underwriting Expenses	(6,905,352)	(6,342,712)	-	-
Net Claims Expenses	(22,654,936)	(20,178,646)	-	-
Cost of sales	(4,289,233)	(685,126)	-	-
Changes in Claims / Annuity Reserves	(13,386,806)	4,827,955	-	-
Management Expenses	(10,867,152)	(9,864,689)	(1,319,954)	(1,304,805)
Total comprehensive income for the period, net of tax	**11,197,620**	**9,938,513**	**4,959,995**	**6,577,760**
EPS - Basic & Diluted (in kobo)	**181**	**181**	**84**	**112**
Net assets per share (in kobo)	**1,236**	**937**	**520**	**485**

Corporate Information

DIRECTORS

Dr. (Mrs.) Omobola Johnson [Chairman]
Mr. Wole Oshin [Managing Director]
Mr. Richard Asabia
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Chief (Mrs.) Margaret Giwa
Mr. Adeniyi Falade

SECRETARY

Custodian Trustees Limited
16A, Commercial Avenue
Sabo, Yaba,
Lagos.
Phone: +234 01-2774000-9

REGISTRATION NO

RC No. 171209

REGISTERED OFFICE

Custodian House
16A, Commercial Avenue
Sabo, Yaba,
Lagos.

Phone: +234 01-2774000-9
Email: investors@custodianplc.com.ng
Website: www.custodianplc.com.ng

SUBSIDIARIES

Custodian and Allied Insurance Limited
Custodian Life Assurance Limited
CrusaderSterling Pensions Limited
Custodian Trustees Limited
UPDC Plc.

ASSOCIATE

Interstate Securities Limited

AUDITORS

Deloitte & Touche
Civic Towers, Plot GA1,
Ozumba Mbadiwe Avenue, Victoria Island, Lagos State

REGISTRARS

Meristem Registrars & Probate Services Limited
213, Herbert Macaulay Way,
Yaba,
Lagos.

BANKERS

First Bank of Nigeria Limited
United Bank for Africa Plc
Zenith Bank Plc
Guaranty Trust Bank Plc
First City Monument Bank Plc

CONSULTING ACTUARIES

EY Actuary
10th & 13th Floors, UBA House
57, Marina
Lagos.

BRANCH DIRECTORY

CUSTODIAN INVESTMENT PLC

HEAD OFFICE
Custodian House
16A, Commercial Avenue,
Sabo, Yaba,
Lagos.

Tel: [+234] 1 2707206-7, 2793740, 27937401
0700-CUSTODIAN, [+234] 1 2774000-9
Fax: [+234] 1 2707203
P. O. Box 2101, Lagos.
Email: investors@custodianplc.com.ng
Website: www.custodianplc.com.ng

SUBSIDIARIES' BRANCH OFFICES

1	**Abeokuta** 34/36 Totoro Road, Totoro, Abeokuta, Ogun State. Tel: 08166904601	12	**Ibadan** 9 Onireke Residential Layout Ibadan, Oyo State. Tel: 022-918538
2	**Abuja** UAC Complex, Plot 273 Samuel Ademulegun Street, CBD, Abuja. Tel: 09- 2900465	13	**Ikeja** 8, Obafemi Awolowo Way, Alausa, Ikeja, Lagos.
3	**Akure** 2 & 3rd Floor, Right Wing, Bank of Industry (BOI) Building, Alagbaka, Akure, Ondo State. Tel: 07068517931	14	**Ikorodu** 294, Lagos Road, Ikorodu, Lagos. Tel: 09069149532
4	**Amuwo Odofin** Plot 129, Block 10, Festac Link Road, Amuwo Odofin, Lagos. Tel: 01-2934178	15	**Ilorin** 163, Ajase-Ipo Road, Ilorin, Kwara State,
5	**Apapa** Atlantic House 23/27, Wharf Road, Apapa, Lagos	16	**Jos** 6/7, Boundary Street, Old Bukuru Park, Jos, Plateau State.
6	**Asaba** Empire House, 339 Nnebuisi Road, Opposite Stadium, Asaba, Delta State.	17	**Kaduna** 3, kanta Road, Turaki Ali House, Kaduna State.
7	**Bauchi** Fini Aluminum Premises, Jolly Nyame Crescent, Bauchi State	18	**Kano** Suite 13, No.15, Bank Road, Kano, Kano State.
8	**Bayelsa** Opili Complex, 25B, Osiri Road, Opposite Foundation Faith Church, Ekeki, Yenagoa, Bayelsa State.	19	**Lekki** 3rd Floor Left Wing, Gold Crest Plaza, Ikota First Gate, Lekki-Epe Expressway, Lagos. Tel: 09095695900
9	**Benin** 4th Floor, West Wing, 34, Akpakpava Road, Benin City, Edo State	20	**Onitsha** 16, Awka Road, Onitsha, Anambra State. Tel: 09032537339
10	**Calabar** 2nd Floor, 45, Murtala Muhammed Highway Calabar, Cross River State. Tel: 09095263143	21	**Osogbo** 37B, Gbogan, Ibadan Road, Opposite Fakunle Comprehensive High School, Osogbo, Osun State. Tel: 08133587587

11	**Enugu** 32/48, Chime Avenue, New Haven, Enugu State.	22	**Owerri** 37 Ekwena Crescent, Ikwe Negbu Layout, Owerri, Imo State

23	**Port Harcourt** Unit 4 & 5, 222 Aba Road, Port Harcourt, Rivers State. Tel: 07085000046		
24	**Sabo** 27, Commercial Avenue, Sabo, Yaba, Lagos. Tel: 09087685218		
25	**Tejuoso** Tejuoso Shopping Mall, Shop H4039, Tejuoso, Lagos State. Tel: 08093159209		
26	**Uyo** 170, Aka Etinan Road, Mberebe Junction, Uyo, Akwa Ibom .		
27	**Warri** 6, Airport Road, Effurun, Delta State.		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of CUSTODIAN INVESTMENT PLC will hold at Festival Hotel, Kaduna Road, Amuwo Odofin Estate, Festac, Lagos on April 13, 2023, at 10.00a.m to transact the following business:

Ordinary Business

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2022, and the Report of the Directors, Auditor's Report and the Audit Committee Report thereon.

2. To declare a Dividend.

3. To re-elect the following Directors retiring by rotation:

    I. Mrs. Mimi Ade-Odiachi
    II. Mr. Ravi Sharma

4. To authorise the Directors to fix the remuneration of the External Auditors for the 2023 financial year.

5. To elect members of the Statutory Audit Committee in accordance with Section 404(6) of the Companies and Allied Matters Act, 2020.

6. To disclose the remuneration of Managers in the employment of the Company.

Special Business

7. To fix the remuneration of Directors.

To consider and if thought fit pass the following as special resolution:

8. i) That pursuant to Section 11 of the Business Facilitation Act, 2022, Article 45 of the Company's Article of Association be amended by the insertion of Article 45 (3) to provide as follows:

    "The Company's Annual General Meeting (AGM) may hold electronically provided that the AGM is held in compliance with the Company's Articles of Association."

    ii) That the Company's Memorandum and Articles of Association should reflect the changes authorized by the foregoing resolution.

iii) To authorize and empower the Directors in the name and on behalf of the Company to take, or cause to be taken, all action required to effect the amendments, including without limitation to the preparation, execution and filing of all necessary notifications and forms required by the Corporate Affairs Commission and all other relevant regulatory authorities.

NOTES:

Proxy
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. All instruments for the appointment of a proxy should be completed and deposited with the Registrars, Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Sabo, Yaba, Lagos or via info@meristemregistrars.com, not later than 48hours before the time for holding the meeting. A blank proxy form is attached to the Annual Report and Accounts and may also be downloaded from the Company's website at (www.custodianplc.com.ng).

Stamping of Proxy Forms
The Company has made arrangements for the stamping of duly completed and signed proxy forms at its cost, to be submitted to the Company's Registrars within the stipulated time.

Dividend Payment
If approved, dividend will be payable on April 13, 2023, at the rate of 55 **kobo per every 50 kobo ordinary share,** to shareholders whose names appear in the Register of Members at the close of business on March 31, 2023 (bringing total Dividend paid for 2022 financial year to **65 kobo),** subject to deduction of appropriate withholding tax. Shareholders who have completed the e-Dividend Mandate Forms will receive a direct credit of the dividend into their bank accounts on the day of the Annual General Meeting.

E-Dividend Mandate
Shareholders are kindly requested to update their records and advise Meristem Registrars and Probate Services Limited of their updated records and relevant bank accounts for the payment of their dividends. A detachable form in respect of the mandate for e-dividend payment is attached to the Annual Report for convenience. The aforementioned form can also be downloaded from the Company's website at www.custodianplc.com.ng or from Meristem Registrars and Probate Services Limited's website at (www.meristemregistrars.com).

The duly completed forms should be returned to Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Yaba, Lagos or via the Company's website; www.meristemregistrars.com.

Unclaimed Dividend Warrants and Share Certificates
Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Meristem Registrars and Probate Services Limited at 213, Herbert Macaulay Way, Yaba, Lagos or via the Company's website; www.meristemregistrars.com.

Closure of Register of Members

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Monday, April 3, 2023, to Thursday April 6, 2023 [both dates inclusive].

Biographical Details of Directors for Election and Re-election

Biographical details of Directors standing for election and re-election are provided in the Annual Report.

Website
A copy of this Notice and other information relating to the meeting can be found on the Company's website (www.custodianplc.com.ng).

Rights of Securities' Holders to ask Questions

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting and such questions must be submitted to the Company at 16A, Commercial Avenue, Sabo, Lagos on or before April 10, 2023**.**

E-Annual Report Published on the Website

An electronic version of the Annual Report is available on the Company's website at (www.custodianplc.com.ng) and will be sent to our Shareholders who have provided their email addresses to the Registrar. Shareholders who are interested in receiving the soft copy of the 2023 Annual Report should request via info@meristemregistrars.com

Nomination to the Audit Committee

Pursuant to Section 404 [6] of the Companies and Allied Matters Act, 2020 (CAMA), any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21days before the Annual General Meeting. Section 404 (5) of the CAMA has mandated that all members must be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

By order of the Board

ADEYINKA JAFOJO
FRC/2013/NBA/00000002403
Custodian Trustees Limited
Company Secretary

Dated this March 16, 2023
Custodian Investment Plc.
Custodian House
16A, Commercial Avenue
Sabo, Yaba, Lagos.

List of Directors

CUSTODIAN INVESTMENT PLC

Directors
Dr. [Mrs.] Omobola Johnson (Chairman)
Mr. Wole Oshin (Managing Director)
Mr. Richard Asabia
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Chief (Mrs.) Margaret Giwa
Mr. Adeniyi Falade

CUSTODIAN AND ALLIED INSURANCE LIMITED

Directors
Mr. Johnnie Wilcox [Chairman] (Retired February 28, 2023)
Mr. Edeki Isujeh (Managing Director)
Kamoru Lamidi (Executive Director)
Mr. Wole Oshin (Retired on November 30, 2022)
Mr. Richard Asabia (Retired on February 28, 2023)
Chief [Mrs.] Margaret Giwa (Retired February 28, 2023)
Mr. Ravi Sharma
Mr. Ademola Ajuwon
Mrs. Mimi Ade-Odiachi
Mr. Kofoworola Majekodunmi

CUSTODIAN LIFE ASSURANCE LIMITED

Directors
Mr. Richard Asabia [Chairman]
Mr. Larry Ademeso [Managing Director]
Mr. Ngozi Nlebemuo [Executive Director]
Mr. Ibrahim Dikko (Retired October 28,2022)
Mr. Adeniyi Falade (Retired October 28,2022)
Dr. Olusegun Oso
Mrs. Titilayo Olujobi
Mr. Kofoworola Majekodunmi
Mrs. Mimi Ade-Odiachi

CRUSADERSTERLING PENSIONS LIMITED

Directors
Mr. Wole Oshin [Chairman]
Mr. Rotimi Adebiyi [Managing Director]
Mr. Richard Asabia
Mr. Femi Odukoya [Executive Director]
Mr. Olusegun Oluyori
Mrs. Hannatu Dikko
Mr. Rotimi Okpaise
Mr. Olufemi Dada [Executive Director]
Dr. Femi Oyetunji [Retired October 22, 2022]
Mr. Kunle Omilani [Retired October 22, 2022]

CUSTODIAN TRUSTEES LIMITED

Directors
Mr. Richard Asabia [Chairman]
Mr. Adeniyi Falade
Mr. Edeki Isujeh
Mr. Adeyinka Jafojo

UPDC PLC

Directors
Mr. Wole Oshin [Chairman]
Mr. Odunayo Ojo [Managing Director]
Ms. Bidemi Fadayomi
Mr. Folasope Aiyesimoju
Mr. Adeniyi Falade
Mrs. Oyekunle Osilaja

PROFILE OF DIRECTORS

DR. [MRS.] OMOBOLA JOHNSON – CHAIRMAN
Dr. Omobola Johnson is Senior Partner of TLcom Capital, a venture capital firm with focuson deal flow generation, investment, and value generation in technology companies in sub-Saharan Africa. Before joining TLcom, Omobola was Minister of Communication Technology, Nigeria from2011 to 2015, focusing on the launch and execution of the National Broadband Plan, and thesupport of the Nigerian technology industry, including the pioneering involvement of the government in a local VC fund and a network of start-up incubators. Prior to serving in the Nigerian government, she gained over 25 years of consulting experience with Accenture including five years as Country Managing Director, working with companies in a variety of industries, transforming them into more competitive and dynamic organizations.

Omobola serves on the Board of several leading Nigerian and multi-national corporations including MTN Nigeria, Liquid Telecoms Holdings and is Board ChairGuinness Nigeria plc.
Omobola has a Bachelor's in Electrical and Electronic Engineering from the University of Manchester, a Master's in Digital Electronics from King's College, London and a Doctorate in Business Administration from the School of Management of Cranfield University. She isthe recipient of the Distinguished Alumna award from Cranfield University and the Lagos Business School

MR. WOLE OSHIN - MANAGING DIRECTOR
Mr. Oshin is the Managing Director of Custodian Investment Plc. He is an industry leader with over thirty [30] years' experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Council Member of the West African Insurance Companies Association [Ghana] and External Lecturer – West African Insurance Institute, Banjul, The Gambia. He sits on several Boards including the International Insurance Society [IIS], New York as well as Council Member of the African Insurance Organization [Cameroun], Nigerian Insurers Association and Advisory Board Member of the Commonwealth Enterprise and Investment Council (United Kingdom). He has received numerous awards including nomination as "African CEO of the Year" by African Reinsurance Corporation.

A graduate of Actuarial Science and a Chartered Insurer by Profession, he holds a Doctor of Finance [Honoris Causa] and is a Fellow of the Chartered Insurance Institute of Nigeria, the Risk Managers Society of Nigeria and the Association of Investment Advisers and Portfolio Managers. He is a past President of the Lagos Business School Alumni Association [LBSAA] as well as an alumnus of the Harvard Business School.

MR. RICHARD ASABIA
Mr. Richard Asabia, an Investment Banker and Stockbroker, is a 1983 graduate of the London School of Economics [University of London] and 1989 graduate of the University of Wales, Cardiff, UK. He holds a Bachelor's Degree in Law, a Master's Degree in Business Administration and is a qualified Barrister, as well as a Fellow of the Chartered Institute of Stockbrokers.

Mr. Asabia has several decades of experience, including as Chief Executive Officer, Non- Executive Director and Independent Non- Executive Director on the Boards of several Financial Institutions, spanning Banking, Stockbroking, Pension Funds Administration, Trusteeship and Insurance. He is currently a Director on the Board of CrusaderSterling Pensions Limited and is the Chairman of Custodian Life Assurance Limited and Custodian Trustees Limited.

MR. RAVI SHARMA
Ravi Sharma is one of the pioneer private equity and venture capital professionals in West Africa. In the last 20 years and more, he has facilitated the investment of more than USD 500 million in Africa in more than 30 transactions spread across various sectors including Oil and Gas, Telecommunications, FMCG, Technology and IT Service, Healthcare, Leasing, Insurance and Chemicals.

He sits on the Board of several companies. His previous experience was gained in private and investment banking with Barclays Private Bank [London] and TAIB Bank [London]. He holds an MBA from the University of Wales and has a B.Sc. in Economics & Accounting from City University, London.

MR. OLAKUNLE ADE-OJO
Mr. Olakunle Ade-Ojo is the Managing Director of Toyota Nigeria Ltd. A graduate of Mechanical Engineering from University of Reading, he also holds an MSC in Automotive Product Engineering from Cranfield University, both in the United Kingdom.
As a Global Management Associate, he worked extensively in different operational departments while at Toyota Motor Sales, USA.

He returned to Nigeria as the Business and Strategic Development Manager of Toyota [Nigeria] Limited and rose through the ranks. He was an Executive Director with Toyota Nigeria Limited until his appointment as the Managing Director of the Company. As Managing Director, within his second year of leading the Company he saw to the establishment of Toyota Assembly Plant in Nigeria. He also supervised the assembling and testing of the first Hiace bus assembled in the plant.

He has attended various Executive Management Programmes both at the Lagos Business School and the Wits Business School, South Africa. He is a member of Council, Lagos Chamber of Commerce and Industry and also a member of the Institute of Directors of Nigeria. He is an astute businessman who is quick to recognise business opportunities.

MRS. MIMI ADE-ODIACHI
Mrs. Mimi Ade-Odiachi is a seasoned professional and entrepreneur with over three decades experience in Non-Bank Financial Services (Insurance), Hospitality Management and Landscape Architecture. She is a chartered insurer with a Bachelor's degree in Insurance from the University of Lagos.

She serves as an Executive Director on the Board of Whispering Palms Hotels & Resort. She is also the Founder and Chief Executive Officer of Omar Gardens Floral Company. She currently serves as a director on the Boards of Custodian and Allied Insurance Limited, Custodian Life Assurance Ltd and as the Chairman of Custodian Social Responsibility Foundation.

CHIEF [MRS.] MARGARET GIWA
Chief (Mrs.) Margaret Giwa is a seasoned professional, who brings in a wealth of experience of over three decades in Business Management and Real Estate. She holds a Bachelor of Arts degree in English Education and a Master's in International Law & Diplomacy. She is a member of the Institute of Directors (IOD) and sits on the Board of other companies.

Mr. ADENIYI FALADE
Niyi Falade is a Chartered accountant, Chartered Stockbroker and an Investment Banker.
He had his professional accountancy training at PricewaterhouseCoopers Lagos, and Coopers & Lybrand Limited, Lagos. Before his recent appointment as Group Executive Director of Custodian Investment PLC, he was the Managing Director of Crusader Sterling Pensions Ltd. He had also served as the Managing Director of Lead Capital and Head of Investment Banking Groups of Ecobank Nigeria Plc and Lead Bank Plc at various times. He was also the Head of Internal Control/ Chief Inspector and Head of Risk Management Department of Lead Bank Plc much earlier in his career.
He holds a Master of business administration (MBA) from the University of Warwick, United Kingdom and a Bachelor of Science degree (BSc), from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Institute of Chartered Stockbrokers of Nigeria.

He serves on the Board of many companies as a non- executive director including Custodian Trustees Limited, Custodian and Allied Insurance ltd, Interstate Securities Limited and UPDC PLC. He currently also serves as the Chairman of UPDC FM limited. He is an avid golfer and enjoys sailing. He is a member of Ikoyi club 1938, Lakowe Golf Club Lagos, Ikeja golf club and Lagos Motorboat Club.

REPORT OF THE DIRECTORS

The Board of Directors is pleased to present their report on the affairs of Custodian Investment Plc ("the Company") and its subsidiaries ("the Group"), together with the Group and Separate Audited Financial Statements for the financial year ended December 31, 2022.

COMMENCEMENT OF BUSINESS

The Company commenced business on July 1, 1995

LEGAL FORM

The Company was incorporated on August 22, 1991, as a Private Limited Liability Company under the name, Accident and General Insurance Company Limited. It obtained approval to change its name to Custodian and Allied Insurance Limited on February 5, 1993, while approval for conversion to a Public Limited Liability Company was granted on September 29, 2006. Subsequently, the Company's name was changed to Custodian and Allied Plc in March 2013. Following a Special Resolution and consequent upon the approval of the Corporate Affairs Commission on May 24, 2018, Company's name changed to Custodian Investment Plc.

VISION

To be the preferred partner in creating and preserving wealth.

PRINCIPAL ACTIVITIES

Custodian Investment Plc is a Conglomerate having interests in Life Insurance, General Insurance, Pensions, Trustees, Property and Financial Services Business.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property and equipment is given in Note 18 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

DIVIDEND

The Board of Directors proposed and paid an **Interim** Dividend of 10kobo per ordinary share of 50kobo each (2021: 10kobo), which was paid to shareholders on the Register of Members at the closure date.

The Directors recommend the payment of a **Final** Dividend of 55kobo per ordinary share of 50kobo each (bringing the Total Dividend on the results for financial year ended December 31, 2022 to 65kobo (2021: 40 kobo per share), payable to shareholders on the Register of Members at the closure date. Withholding tax would be deducted at the time of payment.

EVENTS AFTER REPORTING DATE

There are no events after the reporting date, which could have had a material effect on the financial position of the Group as at December 31, 2022 and the profit for the year then ended.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the period, together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of Directors shareholdings and/or as notified by them for the purposes of section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of The Nigerian Exchange are noted below:

Number of 50 kobo ordinary shares held as at December 31, 2022:

Directors	Designation	December 31, 2022 Direct Holding	December 31, 2022 Indirect Holding	% of Holding	December 31, 2021 Direct Holding	December 31, 2021 Indirect Holding	% of Holding
Dr.(Mrs.) Omobola Johnson	Chairman [Independent]	155,000	-	0.003	80,000	-	0.001
***Mr. Wole Oshin**	Managing Director	238,674,353	1,337,988,150	26.81	238,674,353	1,322,363,150	26.54
****Mr. Richard Asabia**	Non-Executive Director	22, 600,000	36,981,973	1.01	22,212,847	36,576,438	1.00
Chief (Mrs.) Margaret Giwa	Non-Executive Director	70,000,000	_	1.19	109,999,845	_	1.87
Mr. Ravi Sharma	Non-Executive Director [Independent]	_	_	_	_	_	_
*****Mr. Olakunle Ade-Ojo**	Non-Executive Director	1,229,365	924,907,141	15.74	1,229,365	924,907,141	15.74
Mrs. Mimi Ade-Odiachi	Non-Executive Director	4,000,000	-	0.07	4,000,000	-	0.07
Mr. Adeniyi Falade	Executive Director	-	-	-	-	-	-

The following Directors have indirect shares in Custodian Investment Plc:

*Indirect shares held by Mr. Wole Oshin are in respect of Gratitude Capital Limited.

**Indirect shares held by Mr. Richard Asabia are in respect of Interstate Securities Limited.

***Indirect shares held by Mr. Olakunle Ade-Ojo are in respect of Mikeade Investments Limited.

DIRECTORS' INTEREST IN CONTRACTS

For the purpose of Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors had direct or indirect interest in contracts or proposed contracts with the Company during the year.

SUBSTANTIAL SHAREHOLDING

According to the Register of Members, the following shareholders of the Company held more than 5% of the issued share capital* as at December 31, 2022:

Ordinary shares of 50 kobo each	2021		2022	
Shareholder	**Number**	**%**	**Number**	**%**
Gratitude Capital Limited	1,322,363,150	22.48	1,337,988,150	22.75
Mikeade Investments Limited	924,907,141	15.72	924,907,141	15.72

*No other individual Shareholder held up to 5% of the Company's Issued Share Capital as at December 31, 2022.

Analysis of Shareholding

The range analysis of the distribution of the shares of the Company as at December 31, 2022 is as follows:

RANGE ANALYSIS AS AT DECEMBER 31, 2022

CUSTODIAN INVESTMENT PLC						
CERTIFICATE RANGE ANALYSIS AS AT 31/12/2022						
RANGE			**HOLDERS**	**%**	**VOLUME**	**%**
1	-	1000	15007	39.5535	8980706	0.1527
1001	-	5000	13171	34.7144	35419777	0.6022
5001	-	10000	4281	11.2833	33099090	0.5627
10001	-	50000	3905	10.2923	86902217	1.4775
50001	-	100000	720	1.8977	53897569	0.9163
100001	-	500000	581	1.5313	126760737	2.1551
500001	-	1000000	90	0.2372	66222403	1.1259
1000001	-	5000000	122	0.3216	281490618	4.7857
5000001	-	10000000	17	0.0448	117764115	2.0022
10000001	-	50000000	27	0.0712	689412023	11.721
50000001	-	ABOVE	20	0.0527	4381914940	74.4987
TOTAL			**37,941**	**100**	**5,881,864,195**	**100**

HOLDER TYPE NAME	**NO. OF SHAREHOLDERS**	**% OF TOTAL**	**UNITS**	**% OF TOTAL**
CORPORATE	1,461	3.8507	4,593,638,221	78.1
FOREIGN	77	0.2029	4,764,477	0.08
INDIVIDUAL	36,403	95.9463	1,283,461,497	21.82
TOTAL	37941	100	5,881,864,195	100

DIRECTORS' RESPONSIBILITIES

The Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial period as well as the profit or loss for that period in compliance with the Companies and Allied Matters Act, 2020. In so doing, the Directors ensure that:

- Applicable accounting standards are followed.
- Suitable accounting policies are adopted and consistently applied.
- Adequate internal control procedures are established as far as are reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities.
- Judgments and estimates made are reasonable and prudent.
- Proper accounting records are maintained.
- The going-concern basis is used, unless it is inappropriate to presume that the Company shall continue in business.

PERSONNEL

a. Employee Involvement and Training

As a responsible organization, the Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being through various fora. To this end, employees are provided opportunities to deliberate on issues affecting the Company and their interests, with a view to making inputs to decisions thereon.

In accordance with its policy of continuous development, employees of the Company are nominated to attend regular training programmes. These are complemented by on-the-job training.

b. Employment of Physically Challenged Persons

Custodian has a policy of giving fair consideration to the application for employment made by physically challenged persons with due regard to their abilities and aptitude. The Company's policy prohibits discrimination against physically challenged persons in the recruitment, training, and career development of its employees. In the event members of staff become disabled, efforts will be made to ensure that their employment continues, and appropriate training arranged to ensure that they fit into the Company's working environment.

c. Health, Safety and Welfare

The Company ensures that health and safety regulations are in force within its premises and employees are aware of existing regulations. Thus, the Company provides health insurance to all levels of employees for medical care and treatment.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises, while occasional fire drills are conducted to create awareness amongst staff.

Custodian has in place Group Life and Group Personal Accident Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014.

d. Research and Development

In its quest to maintain high standards, Custodian encourages Research and Development in all companies within the Group.

AUDITORS
Messrs. Deloitte & Touche were the Auditors of the Company during the year under review, and they would be considered for re-appointment in line with Section 401 of the Companies and Allied Matters Act, 2020.

SHAREHOLDING HISTORY

DATE ISSUES	NO OF SHARES	NOMINAL VALUE	NARRATION
1996	18,337,858	9,168,929	CASH
1997	18,318,066	9,159,033	CASH
1998	920,400	460,200	CASH
1998	3,665,594	1,832,797	BONUS
1999	26,853,566	13,426,783	BONUS
2000	121,904,516	60,952,258	CASH
2001	10,000,000	5,000,000	BONUS
2002	100,000,000	50,000,000	CASH
2003	120,000,000	60,000,000	BONUS
2004	125,000,000	62,500,000	BONUS
2004	180,000,000	90,000,000	CASH
2005	275,000,000	137,500,000	BONUS
2005	500,000,000	250,000,000	CASH
2006	583,333,332	291,666,666	BONUS
2006	121,608,110	60,804,055	MERGER
2006	1,186,727,478	593,363,739	CASH
2007	165,079,364	82,539,682	MERGER
2007	443,251,716	221,625,858	CASH
2008	790,744,328	395,372,164	CASH
2009	348,027,267	174,013,134	CONVERSION OF LOAN STOCK
2010	37,924,787	18,962,393	SHARE BUYBACK
2013 TILL DATE	781,017,387	390,873,583	MERGER
TOTAL:	**5,881,864,195**	**2,941,296,488**	

E-DIVIDENDS
History has shown that many shareholders do not receive their dividend warrants several weeks after the dividend warrants were dispatched.

To prevent and facilitate the prompt receipt of your future dividends and bonus certificates in line with good corporate governance, the Company encourages its shareholders to embrace the e-dividend opportunity which is a fast, reliable and efficient way of receiving dividends and bonus directly into Bank and personal Accounts with the Central Securities Clearing System [CSCS]. This will substantially reduce the incidence of unclaimed dividends.

To take advantage of the e-dividend and e-bonus system, you need to have a Bank Account as well as a CSCS Account to be opened with the assistance of a Stockbroker of your choice. We thus implore our shareholders to complete the detachable forms in the Annual Report indicating their preferred Bank Accounts and forward same to the Company's Registrars for necessary action.

The Registrars
Meristem Registrars & Probate Services Limited
213 Herbert Macaulay Way,
Yaba,
Lagos.
Website: www.meristemregistrars.com
Tel: +234 [1]8920491-2, +234 [1] 2809250-3

UNCLAIMED DIVIDENDS TABLE AS AT DECEMBER 31, 2022

S/N	Dividend Number	Date of Payment Date of Payment	Dividend Type	Amount of Dividend Declared N	Dividend per share	Unclaimed Dividend N
1	*1*	*05/05/2008*	*FINAL*	*480,000,000.00*	0.12	*5,374,297.76*
2	*2*	*23/10/08*	*INTERIM*	*359,305,824.60*	*0.08*	*6,380,719.67*
3	*3*	*23/06/09*	FINAL	455,120,711.16	0.1	13,053,583.32
4	4	29/10/09	INTERIM	239,537,216.40	0.05	7,106,767.89
5	5	07/06/2010	FINAL	616,652,591.40	0.12	15,652,721.02
6	6	20/10/10	INTERIM	306,050,808.48	0.06	8,061,535.12
7	7	14/06/11	FINAL	561,093,148.88	0.11	12,739,364.40
8	8	20/10/2011	FINAL	357,059,276.56	0.07	9,417,677.39
9	9	05/04/2012	FINAL	408,067,744.64	0.08	8,115,971.61
10	10	10/02/2012	INTERIM	255,042,340.40	0.05	5,606,910.77
11	11	11/07/2013	FINAL	470,549,135.60	0.08	24,221,533.32
12	12	28/11/13	INTERIM	294,093,209.75	0.05	14,501,161.87
13	13	05/09/2014	FINAL	647,005,061.00	0.11	34,732,539.32
14	14	09/12/2014	INTERIM	352,911,851.70	0.06	27,850,085.90
15	15	14/05/15	FINAL	705,823,703.40	0.12	52,533,633.36
16	16	15/09/15	INTERIM	352,911,851.70	0.06	28,463,691.03
17	17	05/03/2016	FINAL	823,460,987.30	0.14	61,260,894.18
18	18	09/01/2016	INTERIM	411,730,493.65	0.07	28,846,156.18
19	19	03/05/2017	FINAL	1,058,735,605.10	0.18	86,162,204.93
20	20	09/05/2017	INTERIM	588,186,419.50	0.1	46,339,580.43
21	21	24/04/18	FINAL	1,882,196,542.40	0.32	88,177,132.16
22	22	09/05/2018	INTERIM	588,186,419.50	0.1	27,099,976.34
23	23	23/04/19	FINAL	2,058,652,468.25	0.35	96,216,395.72
24	24	09/04/2019	INTERIM	588,186,419.50	0.1	27,416,698.47
25	25	30/04/2020	FINAL	2,058,652,468.25	0.35	96,581,037.63
26	26	09/01/2020	INTERIM	588,186,419.50	0.1	28,998,512.28
27	27	22/04/21	FINAL	2,646,838,887.75	0.45	134,683,490.08
28	28	09/01/2021	INTERIM	588,186,419.50	0.1	30,039,471.00
29	29	04/08/2022	FINAL	2,352,745,678.00	0.4	124,107,348.60
30	30	09/01/2022	INTERIM	588,186,419.50	0.1	30,147,290.55
TOTAL				**23,683,356,123.37**		**1,179,888,382.30**

Unclaimed Dividend Warrants and Share Certificates

Notice is hereby given to our numerous shareholders that some dividends have remained unclaimed as the Registrars records show. A number of share certificates have also been returned as unclaimed because the addresses on them could not be traced or the shareholders have changed their addresses without informing the Registrars. The affected shareholders should please get in touch with Meristem Registrars & Probate Services Limited.

The Registrars are e-dividend payment ready. Shareholders are kindly requested to take advantage of this, to reduce the incidences of unclaimed dividend. The unclaimed dividend list is on the Registrars website and copies are displayed at the venue of the AGM.

Please contact: Meristem Registrars & Probate Services Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, P.O.Box 51585, Ikoyi, Lagos.

Phone: 01-2809250-4, **Email**: info@meristemregistrars.com, **Website**: www.meristemregistrars.com

By order of the Board

A.I. JAFOJO

ADEYINKA JAFOJO
FRC/2013/NBA/00000002403
Custodian Trustees Limited
Company Secretary

Dated this March 16, 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

a) keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates are consistently applied.

The Directors accept responsibility for the preparation and fair presentation of the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, Pension Reform Act 2014, Insurance Act 2003, Investment and Securities Act, 2007 and Financial Reporting Council of Nigeria Act No. 6, 2011.

The Directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its subsidiaries and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

On behalf of the Directors of the Group

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2022
To the members of Custodian Investment Plc:

In accordance with the provision of Section 404 (4) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Custodian Investment Plc hereby report as follows:

- We have exercised our statutory functions under Section 404 (4) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of Management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audit for the year ended December 31, 2022, were satisfactory and reinforce the Group's internal control systems.

- We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from Management in the course of their statutory audit and we are satisfied with Management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Group's system of accounting and internal control.

Mr. Olaniyi Dada
Chairman, Audit Committee
FRC/2013/ICAN/00000003137
Lagos, Nigeria.

March 13, 2023

Members of the Statutory Audit Committee

❖ Mr. Olaniyi Dada	**- Chairman**
❖ Mr. Richard Asabia	- Member
❖ Mr. Ravi Sharma	- Member
❖ Group Captain Bola Sotubo (Rtd.)	- Member
❖ Mrs. Titilayo Olujobi	-Member

PROFILE OF SHAREHOLDERS REPRESENTATIVES ON THE STATUTORY AUDIT COMMITTEE

MR. OLANIYI DADA - BSc. [Economics], ACA, ACTI

Mr. Olaniyi Dada holds a Bachelor's degree in economics, he is also an associate of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He started his career at Securities and Exchange Commission and proceeded to KPMG Audit [formerly Peat Marwick Ani Ogunde & Chartered Accountants] from 1987 –1992. He joined Olukayode Akindele & Co [Chartered Accountants] in 1993. On resigning from Olukayode Akindele & Co in 2001, he established the accounting firm of Niyi Dada Chartered Accountants. He is also the principal partner at SDG Consulting Associates.

He is Chairman of the Statutory Audit Committee of Custodian Investment Plc

GROUP CAPTAIN BOLA SOTUBO (Rtd.) BSc, MBA, LL. B, LL.M

Group Captain Sotubo [rtd] studied Business Administration at the University of Nigeria, Nsukka and graduated in 1973. He has an MBA from Indiana University Bloomington Indiana [1976]. He joined the Nigerian Air Force in 1977 from where he retired in 1999. In 2002, he graduated from the Faculty of Law University of Lagos and was called to the Nigerian Bar in 2004. He also has an LLM degree from the University of London.

He started his legal career with the firm of Dapo Abudu & Co as counsel before moving to Yomi Sotubo & Co as the principal partner.

MRS. TITILAYO OLUJOBI B.Sc (Economics), FCA, ACC

Mrs. Titilayo Olujobi is a well-rounded and experienced professional with nearly four decades experience in Public Accounting, Banking, Training Facilitation, Business Consulting and Coaching. She is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Certified Professional Coach of the International Coaching Federation (ICF). She holds a B.Sc. Degree in Economics from the University of Ife (now Obafemi Awolowo University).

She commenced her professional career at Z. O. Ososanya & Co and Coopers and Lybrand (now PriceWaterhouse Coopers). She then proceeded to Nigeria International Bank Limited (now Citibank Nigeria Limited) in 1990, where she rose to the level of Vice President (Deputy General Manager) before leaving in December 2007. She joined IBFCAgusto Training Limited as the Managing Director in 2008. With the merger of IBFCAgusto Training Limited with a sister company to become IBFCAlliance Limited, she became an Executive Director of the enlarged firm.

Titilayo Olujobi is currently a non-Executive Director at IBFCAlliance Limited, Ecobank Nigeria Limited and Custodian Life Assurance Limited. She is also a member of the Statutory Audit Committee of Custodian Investment Plc. She is Founder and Chief Executive of Tulivuori Services, an Executive & Business Coaching company.

CORPORATE GOVERNANCE

The Company values its shareholders. We appreciate the fact that our shareholders require ethical behavior and good administration of the Company. Consequently, Custodian has imbibed a culture of compliance to ensure that its operations are conducted in accordance with the principles of probity, accountability, transparency and fairness.

The Company has in place a framework to ensure effective shareholders participation. Our shareholders approve the appointment of members of the Board of Directors, who in turn supervise the activities of Management. The confidence of investors, clients, employees and stakeholders is reinforced by this governance framework.

At Custodian, regulatory compliance is fundamental to our corporate governance framework which is designed to ensure consistent compliance with the Nigerian Code of Corporate Governance, Securities and Exchange Commission's Corporate Governance Guidelines (SCGG), international best practices as well as the post-Listing requirements of the Nigerian Exchange (NGX). This is in addition to the Company's Board Charter and the Memorandum and Articles of Association which collectively provide a springboard for sound corporate governance. Our Internal control system ensures that we meet the legal, regulatory, and ethical standards required of the Board, Management and staff in the day-to-day activities of the Company.

At Custodian, we believe the input of stakeholders enhances our competitiveness and overall performance. We therefore encourage teamwork and recognize inputs from shareholders, employees, clients, creditors and suppliers. Our Corporate Governance framework encapsulates the effective management and promotion of stakeholders' engagement in achieving our objectives.

<u>Ethical Standards</u>

The Company is devoted to acting with utmost integrity and expects same of every employee. The Board has adopted the *Nigerian Code of Corporate Governance, 2018,* which sets out the Corporate Governance best practice framework for the Company and incorporates the laws, rules and regulations it is required to comply with. Noting that the Company is also expected to comply with:

- *Companies and Allied Matters Act, 2020*
- *The Nigerian Stock Exchange Rules and Regulations.*
- *The Investments and Securities Act, 2007.*
- *Financial Reporting Council of Nigeria Act, 2011.*
- *International best practice.*
- *The Company's Memorandum and Articles of Association.*
- *The Securities and Exchange Commission Consolidated Rules and Regulations, 2013.*
- *Financial Reporting Council Audit Regulations, 2020*

The Company's Code of Conduct and Board Charter reinforce Custodian's policy to conduct its affairs in line with all applicable laws and regulations and to observe the highest standards of business ethics. Thus, the Company expects that the spirit as well as the letter of these standards are followed by Directors, Officers and Employees of the Company, its Subsidiaries and Affiliates. This is transmitted to every new Director, Officer and Employee and was communicated to those in office at the time the Standards of Business Conduct were adopted.

Corporate Legal Structure

Custodian Investment Plc is a public limited liability Company as defined under the Companies and Allied Matters Act [the Act]. Corporate powers reside in the Board of Directors and the Shareholders at the Annual General Meeting. The functions and powers of both bodies are stipulated by the Act and the Company's Memorandum and Articles of Association.

Annual General Meeting

Annual General Meetings are vital to Custodian's Corporate Governance framework and are duly convened in line with the Company's Articles of Association and existing statutory requirements. Attendance at Annual General Meetings is open to all Shareholders or their proxies while the principle of 'one share, one vote' applies.

Representatives of the Nigerian Exchange Regulation (NGX Regulation), the Securities and Exchange Commission and the Corporate Affairs Commission usually monitor proceedings at the Company's Annual General Meetings as well as representatives of Shareholders Associations.

The Board

The Board acts on behalf of Shareholders and is responsible for promoting the long-term success of the Company and for setting the Group's strategy, against which Management's performance is measured. It sets the Group's risk appetite and satisfies itself that financial controls and risk management systems are robust, whilst ensuring the Group is adequately resourced. It is also responsible for setting the values and supporting the culture of the Group and ensures appropriate dialogue with Shareholders on strategy and remuneration.

The Company's Board consists of persons of diverse discipline and skills, selected on the basis of professional background and expertise, business experience and integrity as well as knowledge of the Company's business.

The Board ensures regular training of its Directors on issues pertaining to their oversight functions and Corporate Governance. The Board or a Committee of the Board receives and reviews Management's reports.

Custodian's Board is accountable to Shareholders and ensures that the conduct of its activities is within the applicable regulatory framework. The Board is responsible for reviewing the Company's performance, setting objectives, and determining strategy. In doing this, the Board safeguards the Company's interests and aspires to achieve a long-term increase in the Company's values.

Delegation of Authority

The ultimate responsibility for the Company's operations rests with the Board. The Board retains effective control through a well-developed Committee structure that provides in-depth focus on the Board's responsibilities. Each Board Committee has a written term of reference and presents regular reports to the Board on its activities. The Board delegates the responsibility for the day-to-day operations of the Company to Management.

Directors' Independence

The Company's Directors are expected to contribute views and judgment at Board deliberations that are independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment, having regard to the best interest of the Company.

Meetings of the Board

The Board meets quarterly. Meetings are held at such times and places as determined by the Board, while special meetings are convened as may be required.

All Directors are provided with notices, agenda and meeting documents ahead of each meeting to enable them prepare adequately for meetings. Directors are also provided with regular updates on developments in the regulatory and business environment.

Change in a Director's Occupation

The Board does not believe that Directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. However, promptly following such an event, the Director must notify the Board of such event and the Board may take such event into consideration when determining whether to re-nominate such Director.

Appointment Process, Orientation and Training of Board Members

The Company's Board Succession Policy ensures that it is managed and overseen by knowledgeable, capable and trustworthy individuals. In making Board appointments, the Board recognises knowledge, experience and skill of prospective Directors as well as other qualities considered necessary for the role. The Board Establishment and Governance Committee is responsible for Directors succession planning and recommends new appointments to the Board.

Upon appointment to the Board, newly appointed Directors are given adequate orientation regarding the Group's businesses, Corporate Governance and reporting procedures and are updated on such matters on a continuing basis. Directors are briefed on policies and procedures applicable to Board and Board Committees as well as on the rights and responsibilities of Directors. Various information reports are sent to the Board in order to keep them informed of the Group's undertakings.

Custodian attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

Election and Re-Election of Directors

In accordance with the Company's Articles of Association, one-third of all Non-Executive Directors are offered for re-election of every year together with Directors appointed by the Board since the last Annual General Meeting. In keeping with this requirement, Mrs. Mimi Ade-Odicachi and Mr. Ravi Sharma will retire at this Annual General Meeting and being eligible for re-election will submit themselves for re-election. The Board confirms that following a formal evaluation, these Directors continue to demonstrate commitment to their duties and roles as Non-Executive Directors.
The Board is convinced that the Directors standing for re-election will continue to add value to the Company. The Board believes that they are required to maintain the balance of skill, knowledge and experience on the Board.

The biographical details of the Directors are set in the Annual Report.

Access to Management and Independent Advisers

Custodian recognises the importance of the free flow of complete, adequate and timely information to the Directors to enable them make informed decisions in the discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board. The Company's External Auditors attend the Statutory Audit Committee meetings to make presentations on the audit of the Group's Financial Statements. Directors have unrestricted access to Management and Company's information in addition to the necessary resources to carry out their responsibilities.

The Board has the authority to retain, terminate and determine the fees and terms of engagement of consultants, legal counsel and other advisers to the Board as the Board may deem appropriate in its discretion.

Board Structure and Composition

The Board is made up of a Non-Executive Chairman, five (5) Non-Executive Directors and two (2) Executive Directors. Two (2) of the Non-Executive Directors are Independent Directors, appointed in compliance with the criteria laid down by the Nigerian Code of Corporate Governance and the Company's Code of Conduct & Board Charter and met the requirement that an Independent Director should not have any significant shareholding interest in the Company.

The Managing Director/Chief Executive is responsible for the day to day running of the Company.

The Board exercises oversight responsibility through its standing Committees, each of which has a Charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee. The Board has four Committees, namely: the Board Audit, Compliance and Risk Management Committee, the Board Finance, Investment and General-Purpose Committee, the Board Establishment and Governance Committee and the Statutory Audit Committee.

While the various Board Committees have the authority to examine issues within their terms of reference and report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board.

Board Audit, Compliance and Risk Management Committee

Mrs. Mimi Ade-Odiachi - **Chairman**
Mr. Ravi Sharma
Mr. Olakunle Ade-Ojo
Mr. Richard Asabia

Board Finance, Investment and General-Purpose Committee

Mr. Richard Asabia - **Chairman**
Mr. Olakunle Ade-Ojo
Mrs. Mimi Ade-Odiachi
Chief (Mrs.) Margaret Giwa
Mr. Wole Oshin

Board Establishment and Governance Committee

Mr. Ravi Sharma **- Chairman**
Chief (Mrs.) Margaret Giwa
Mr. Richard Asabia

Statutory Audit Committee

Mr. Olaniyi Dada **- Chairman**
Mr. Richard Asabia
Mr. Ravi Sharma
Group Captain Bola Sotubo (Rtd.)
Mrs. Titilayo Olujobi

The record of attendance at Board of Directors meetings are provided below:

DIRECTORS	March 11, 2022	April 26, 2022	July 29, 2022	October 28, 2022
Dr. (Mrs.) Omobola Johnson	✓	✓	✓	✓
Mr. Wole Oshin	✓	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Adeniyi Falade	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Chief (Mrs.) Margaret Giwa	✓	✓	✓	✓

Board Audit, Compliance and Risk Management Committee

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Company's Financial Statements and the financial reporting process, as well as the independence and performance of the Company's Internal and External Auditors. It also oversees the Company's system of internal control.

The Committee has oversight of Management's process for the identification of significant risks across the Company and prevention, detection and reporting mechanisms. The Committee is charged with overseeing the Enterprise Risk Management framework of the Company and ensures the adequacy of provisions made for possibilities of any adverse changes in the industry and the economy. The Committee has the responsibility for the approval and review of the Company's risk management policy in line with the Company's risk appetite and risk strategy.

The Committee oversees the Company's compliance level with applicable laws and regulatory requirements. The Committee reviews the report on audit, compliance and risk management on a quarterly basis.

The record of attendance at the Board Audit, Compliance and Risk Management Committee meetings are provided below:

DIRECTORS	March 8, 2022	April 25, 2022	July 22 2022	October 24, 2022
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓	✓

Board Finance, Investment and General-Purpose Committee

The Committee is responsible for ensuring that guidelines for investment comply with legal and regulatory requirements and that investment activities reflect the goals/strategy of the Company. The Committee provides strategic assistance to Management and the full Board on Finance, Administration, Human Resources and General matters concerning the Company. The Committee periodically reviews changes in the economic and business environment, including emerging trends and other factors relevant to the Company's business. It has the responsibility for reviewing the Company's Accounts and it is also charged with the oversight of Management's compliance with budget.

The record of attendance at Board Finance, Investment and General-Purpose Committee meetings are provided below:

DIRECTORS	March 11,2022	April 25, 2022	July 26 2022	October 25, 2022
Mr. Wole Oshin	✓	✓	✓	✓
****Mr. Ravi Sharma**	✓	✓	X	x
***** Mr. Richard Asabia**	x	X	✓	✓
Mr. Olakunle Ade-Ojo	✓	✓	✓	✓
Chief (Mrs.) Margaret Giwa	✓	✓	✓	✓
Mrs. Mimi Ade-Odiachi	✓	✓	✓	✓

******Mr. Ravi Sharma was redeployed from the Committee in April, 2022.
******* Mr. Richard Asabia became a member of the Committee in July, 2022

Statutory Audit Committee

The Committee was established in accordance with statutory requirement and in compliance with Section 404 [2] of the Companies and Allied Matters Act, 2020. The Statutory Audit Committee has oversight responsibility for the Company's Financial Statements and ensures that they comply with applicable financial reporting standards. The Committee also reviews the scope and planning of audit requirements, reviews the findings on Management matters in conjunction with the External Auditor; makes recommendations to the Board in regard to the appointment, removal and remuneration of the Company's External Auditors; and authorises the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

The Statutory Audit Committee comprises of five members, three Shareholders Representatives and two Non-Executive Directors.

The record of attendance at Statutory Audit Committee meetings are provided below:

DIRECTORS	March 8, 2022	April 25, 2022	July 22, 2022	October 25, 2022
Mr. Olaniyi Dada	✓	✓	✓	✓
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Mrs. Titilayo Olujobi	✓	✓	✓	✓
Group Captain Bola Sotubo (Rtd)	✓	✓	✓	✓

Board Establishment and Governance Committee

The Board Committee is charged with the responsibility of implementing the Company's policy on Director's appointment, remuneration of Directors and Executive Management and succession planning. The Committee also ensures compliance with the Code of Corporate Governance adopted by the Company.

The record of attendance at Board Establishment and Governance Committee meetings are provided below:

DIRECTORS	March 7, 2022	April 22, 2022	July 22, 2022	October 24, 2022
Mr. Richard Asabia	✓	✓	✓	✓
Mr. Ravi Sharma	✓	✓	✓	✓
Chief (Mrs.) Margaret Giwa	✓	✓	✓	✓

Communication with Shareholders

The Company is committed to an open and consistent Communication Policy with Shareholders and other Stakeholders. The guiding principle is that all Shareholders should be given equal treatment in equal situations. As a result, price sensitive information is published timely in full, simple, and transparent format to the public at the same time.

Likewise, all Shareholders have equal opportunity at the Annual General Meeting to present questions to the Board and make comments on any aspect of the financial statements.

The Company's website www.custodianplc.com.ng remains an excellent resource to members who require constant information on the Company.

Communication with Third Parties

Custodian's Directors are of the opinion that it is Management's responsibility to speak for the Company regarding communications with third parties, such as Investors, the Press and Public in general. Directors only engage in such communications at the request of or after consultation with Management.

Performance Monitoring and Evaluation

The Board has established a system of independent annual evaluation of its performance, that of its Committees and individual Directors. The evaluation is conducted by an Independent Consultant approved by the Board. In this regard, the Society for Corporate Governance Nigeria was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2022. The Board believes that the use of an independent consultant promotes the objectivity and transparency of the evaluation process.

The annual appraisal covered all aspects of the Board's composition, structure, responsibilities, relationships, processes, individual members competencies and respective roles in the overall performance of the Board, as well as the Company's compliance status with the provisions of the Code of Corporate Governance. The result also confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency.

The result of the Board performance evaluation was presented to the Board at the Board Meeting which took place on March 16, 2023 and is contained in the Annual Report.

Non-Executive Directors are remunerated in line with the Company's policy of providing them with fixed annual fees and sitting allowances for their service on the Board and Committees.

Shareholders Rights

The Board ensures the protection of the rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of the volume of shareholding or social status. The Company ensures that all Shareholders receive notices of meetings.

E-Dividend

Custodian encourages its Shareholders to embrace the e-dividend opportunity in accordance with good Corporate Governance practice. This will enable the Company pay dividend due to Shareholders by directly crediting their designated Bank accounts. It will also significantly lessen the incidences of unclaimed dividend.

The Company's Shareholders are implored to complete the detachable forms in the Annual Report stating their preferred Bank Accounts and make same available to the Company's Registrars, Meristem Registrars and Probate Services Limited.

External Auditors

Deloitte & Touche acted as the Company's External Auditors for the 2022 financial year. The firm ensures that its responsibilities to the Company are carried out in an independent manner.

The Board confirms that the Company has complied with the regulatory requirement as enshrined in the Code of Corporate Governance on the rotation of audit firm and audit partners.

Internal Control

Custodian's internal audit function provides oversight on significant compliance issues and guide strategies, policies and practices for assessing and managing risk across the Company. The head of the Department is a competent professional Accountant with high integrity.

Accounting Principles, Disclosure and Reporting

The Company's accounting practices are fundamental to the information required by its investors, customers, regulators and other stakeholders to facilitate objective evaluation of the Company and its future prospects. Custodian's accounting records are presented in a concise and transparent manner so that the Company's financial position at any given time is adequately disclosed.

Reporting and disclosure requirements are in accordance with International Financial Reporting Standards [IFRS]. The Company ensures prudent financial reporting and maximum disclosure in the Annual Reports & Accounts.

Securities Trading by Interested Parties

The Company has in place a policy regarding trading in its shares by its Directors and Employees with terms and conditions similar to the standards set out by the Securities and Exchange Commission and the Nigerian Exchange Limited.

Directors, Insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading.

Detailed enquiries have been made regarding all Directors to ascertain whether they have complied with or whether there has been any non-compliance with the Listing Rules [relating to Securities Trading] and Custodian's Code of Conduct on Securities transactions. Full compliance by Directors in the 2022 financial year was established.

Diversity

The Company acknowledges that a diverse workforce is of significant social and commercial value and important to being an inclusive Employer. Custodian accepts the value that diversity can bring, which includes:

- Providing greater alignment to customer needs.
- Improving creativity and innovation.
- Broadening the skills and experience of the labour pool from which Custodian can draw and attract top talent to our businesses.

The Company strives to create a work environment which is inclusive to all people regardless of gender, age, race, disability, cultural background, religion, family responsibilities or any other area of potential difference. All areas of diversity are important and Custodian pays particular attention to gender diversity.

Succession Planning

The Board Establishment and Governance Committee is tasked with the responsibility for the Group's succession planning process. The Committee identifies critical positions on the Board and Executive Management level that are deemed important to the achievement of the Company's business objectives and strategies and have a significant impact on the operations of the Company.

Custodian has a robust policy which is aligned to the Company's performance management process. The policy seeks to identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned development and learning initiatives.

Code of Ethics

Custodian prioritises high ethical standards and expects its Board, Executives and Employees to observe such standards in all their dealings within the Group. The Company's Code of Ethics outlines the minimum standards of conduct expected in the management of the Company's businesses. All stakeholders are expected to comply with these standards in the discharge of their duties.

Whistle-blowing Procedure

In line with the Board's commitment to instill the best corporate governance practices, a Whistle-blowing Policy ("Policy") was adopted by the Company. The Policy provides a channel for the Company's Employees and other relevant Stakeholders to raise concerns about workplace malpractices confidentially to enable the relevant authorities investigate and deal with such in a manner consistent with the Company's policies and relevant regulations. The policy also provides for protection against harassment or victimization of Employees who report genuine concerns, malpractice or illegal acts or omissions by Directors and Employees.

Custodian's Whistle-blowing policy ensures that whistle-blowing assists in uncovering significant risks in line with best practices. Under the policy, a whistle-blower who in good faith, reports suspected violations or attempted violation of the Policy or who reports a request or offer of a corrupt payment is protected. A form for this purpose is available on the Company's website.

Complaints Management Policy

At Custodian we are. committed to responding to feedback from Clients, Investors and other Stakeholders and has established a Complaints Management Policy which lay the guidelines to effectively and efficiently respond to feedbacks in order to improve client experience, exceed customer's expectations and deliver better services.

The Policy seeks to establish a fair, impartial and objective mechanism for the handling and management of complaints by clients or investors and to establish a mechanism for implementation and monitoring of compliance with this Policy. The Policy and the Complaints Lodgment Form can be accessed on the Company's website.

Statement of Compliance

Custodian Investment Plc is a Public Limited Liability Company and is subject to the jurisdiction of the Nigerian Code of Corporate Governance. The Board of Directors charged with the responsibility of ensuring compliance has submitted that the Company was in compliance with the provisions of the Code in the 2022 financial year as well as the Post-Listing requirements of the Nigerian Exchange Limited.

The Company also complied with all the relevant laws of Nigeria.

ADEYINKA JAFOJO
FRC/2013/NBA/00000002403
Custodian Trustees Limited
Company Secretary
Dated this March 16, 2023

CERTIFICATION PURSUANT TO SECTION 60[2] OF THE INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to our Consolidated Financial Statements for the year ended December 31, 2022, that:

(a) We have reviewed the Report.

(b) To the best of our knowledge, the Report does not contain:

(i) Any untrue statement of a material fact, or
(ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made.

(c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the period presented in the report.

(d) We:

(i) Are responsible for establishing and maintaining internal controls.
(ii) Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries are made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
(iii) Have evaluated the effectiveness of the Company's internal controls, as of date, within 90 days prior to the report;
(iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation;

(e) We have disclosed to the auditors of the Company and its audit committee:

(i) All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
(ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

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

O. Johnson

Dr. (Mrs.) Omobola Johnson
Chairman

FRC/2018/IODN/00000018366

Mr. Wole Oshin
Managing Director

FRC/2013/CIIN/0000003054

Mr. Ademola Ajuwon
Chief Financial Officer

FRC/2013/ICAN/0000002068

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Custodian Investment Plc

Report on the Audit of the Consolidated and Separate Financial Statements Opinion

Opinion
We have audited the consolidated and separate financial statements of **Custodian Investment Plc** and its subsidiaries (the Group and Company) set out on pages 5 to 115, which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Custodian Investment Plc** as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, Companies and Allied Matters Act, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, and the Financial Reporting Council of Nigeria Act.

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 Auditors' 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 the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance and investment Contracts Liabilities Under IFRS 4, the Company is required to perform liability adequacy test on its insurance contract liabilities and investment contract liabilities to ensure the carrying value of the liabilities is adequate. As disclosed in notes *21* and *22* to the Consolidated financial statements, the insurance contract liabilities and investment contract liabilities for the Group amounted to N100.079 billion and N9.070 billion respectively. This represents about 78% of the of the Group total liabilities as at 31 December 2022.	**Our procedures included the following among others:** • We reviewed the methodology and processes adopted by management for making reserves in the books of the company. • We tested entity's control around reserving process and maintenance of data for valuation of insurance contract liabilities.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance and investment Contracts Liabilities Determination of the fair value of the contracts is an area that involves exercise of significant judgement in determination of methodology adopted and use of key inputs and assumptions such as the loss ratio. Some of these include operating assumptions in relation to uncertain future outcomes like mortality, morbidity, lapse and surrender, etc., and also economic assumptions relating to interest rates, inflation rates, expenses, return on investments, discount rates, future growth rates etc. These are the key inputs used to estimate these long- term liabilities. The Group has an in-house actuary who assesses, on periodic basis, an estimate of the insurance liabilities for the various portfolio managed by the company. At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liabilities after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.	**Our procedures included the following among others:** • We considered the validity of management's liability adequacy testing which a key test is performed to check that the liabilities are adequate in the context of expected experience. Our work on the liability adequacy test includes assessing the reasonableness of the projected cash flows and challenging the assumptions adopted in the context of company and industry experience data and specific product features. • We validated the data used in the valuation of the insurance contract liabilities. • We involved Deloitte Actuary in the review of the methodology adopted assumptions and estimates used by management and assessment of the adequacy of the insurance contract liabilities in line with Liability Adequacy Test ("LAT") based on requirement of IFRS 4. • We ensured the appropriateness of the journals posted, footed and agreed the figures disclosed in the financial statements to the figures stated in the actuarial valuation after thorough review of the basis and assumptions. We found that the assumptions used by management were comparable with the market, accord with best practices, the key input data used in estimating the fair value of the insurance and investment contracts liabilities were reasonable in the circumstances. We consider the disclosure of the liabilities to be adequate, relevant and useful.
Valuation of property, plant and equipment of UPDC Hotel Limited (UHL The Group revalued the property, plant and equipment of UPDC Hotel Limited during the year and the revaluation amount was N8.2billion. This revaluation was done in line with IFRS 5 Non-current Assets Held for Sale and	**Our procedures included the following among others:** • Evaluated the qualification of the external experts engaged by management to ensure that they were qualified to carry out the valuation.

Discontinued Operations, to determine the recoverable amount of the property, plant and equipment following the decision of the Board changing its plan to sell the investment in Festival Hotel, Conference Centre & Spa which was initially classified as a disposal group held for sale and a discontinued operation since 2017. The determination of the fair value of the property, plant and equipment involves management's estimate and exercise of significant judgment, which requires key subjective inputs and assumptions. The level of judgment involved in the determination of the fair value, makes the assets an area of significance in our audit. Management engaged Messrs. Sunny Akpodiogaga of Knight Frank Nigeria, Estate Surveyors and Valuers (FRC/2013/NIESV/00000000655) for the valuation of the Property , plant and equipment on 18 August 2022.	• Assessed the valuation results by the external expert engaged by management by comparing it to relevant independent property price information. • Robustly challenged the assumption and reperformed some of the valuation computation to assess for reasonableness. • Engaged the Deloitte & Touche property specialist and evaluated the reasonableness of assumptions made for the valuation of the property, plant and equipment of the company. • Based on our review, we found that management estimates and assumptions in determining the fair value of the property, plant and equipment in the Company's financial statement were reasonable and appropriate in the circumstance.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the "Custodian Investments Plc Consolidated and Separate Financial Statements", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Report, and Other National Disclosures as required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2011, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Pension Reform Act 2014, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate 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's and the 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 or the 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance 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

In accordance with the Fifth Schedule of the Companies and Allied Matters Act, 2020 we expressly state that:

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

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

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

Deloitte.

Contraventions

During the year, the Group violated Section 49(3)(a) of the NAICOM Act 1997 and the related penalty is disclosed in note 56 to the financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
16 March 2023

Engagement Partner: Joshua Ojo, FCA
FRC/2013/ICAN/00000000849

Consolidated and separate statement of financial position
As at 31 December 2022

In thousands of naira	Note	Group 31-Dec-22	Group Restated 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Assets					
Cash and cash equivalents	5	22,044,849	17,176,184	1,855,128	601,326
Trade receivables	7	1,653,611	174,759	-	-
Financial assets:	6	136,467,520	113,959,758	3,842,238	5,474,647
- Fair value through profit or loss		*82,577,385*	*68,536,913*	*528,078*	*1,101,825*
- Fair value through OCI		*2,645,972*	*1,391,534*	*391,000*	*391,000*
- Debt securities at amortised cost		*51,244,163*	*44,031,311*	*2,923,160*	*3,981,822*
Reinsurance assets	8	9,394,263	8,252,161	-	-
Inventories	9	5,265,758	6,084,508	-	-
Deferred acquisition costs	10	987,566	784,693	-	-
Other receivables and prepayments	11	5,846,664	6,022,573	2,334,405	1,904,939
Right-of-use-assets	20	28,397	69,862	-	-
Investment in subsidiaries	12	-	-	15,373,012	15,373,012
Investments in joint ventures	14	125,647	130,393	-	-
Equity accounted investee	13	3,290,257	4,801,675	3,109,987	525,364
Investment properties	15	11,901,485	11,760,655	7,081,416	7,081,066
Assets of disposal group classified as held for sale	16	-	8,086,683	-	-
Property, plant and equipment	18	13,279,230	4,696,005	401,425	94,548
Intangible assets	17	239,712	172,486	16,755	25,132
Statutory deposits	19	2,672,415	2,299,144	-	-
Total assets		**213,197,374**	**184,471,539**	**34,014,366**	**31,080,034**
Liabilities and equity					
Liabilities					
Current income tax payable	27	3,346,153	1,941,504	1,294,989	657,323
Trade payables	24	12,134,504	8,618,952	-	-
Other payables	26	11,637,870	10,081,790	1,523,843	1,258,315
Insurance contract liabilities	21	100,079,820	85,036,841	-	-
Investment contract liabilities	22	9,070,212	8,616,195	-	-
Interest bearing loans and borrowings	23	2,179,173	2,516,621		
Liabilities of disposal group classified as held for sale	25	-	1,187,895	-	-
Deferred tax liabilities	28	2,066,875	2,134,377	636,163	624,088
Total liabilities		**140,514,607**	**120,134,175**	**3,454,995**	**2,539,726**
Equity					
Issued share capital	29	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	30	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	31	39,114,585	31,653,284	21,206,081	19,187,018
Contingency reserve	31	13,594,424	12,961,014	-	-
Fair value reserves	31	477,604	504,196	-	-
Revaluation reserve	31	630,498	685,081	-	-
Equity attributable to owners of the parent		63,170,401	55,156,865	30,559,371	28,540,308
Non-controlling interests		9,512,366	9,180,499	-	-
Total equity		**72,682,767**	**64,337,364**	**30,559,371**	**28,540,308**
Total equity and liabilities		**213,197,374**	**184,471,539**	**34,014,366**	**31,080,034**

The accounts were approved by the Board of directors on 16 March 2023 and signed on its behalf by:

O. Johnson

Dr. (Mrs.) Omobola Johnson
Chairman
FRC/2018/IODN/00000018366

Wole Oshin
Managing Director
FRC/2013/CIIN/00000003054

Ademola Ajuwon
Chief Financial Officer
FRC/2013/ICAN/00000002068

Consolidated and separate statements of profit or loss and other comprehensive income

In thousands of naira	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross Revenue		103,075,430	85,740,334	7,003,017	6,017,048
Interest income	33	15,128,685	11,599,419	503,752	280,187
Operating and Investment Income	32	87,946,745	74,140,915	6,499,265	5,736,861
Operating Expenses	34	(61,118,296)	(52,553,398)	-	-
Change in Provision for Outstanding Claims and Life Fund Estimate	34(iii)	(13,386,806)	4,827,955	-	-
Net income		28,570,328	38,014,891	7,003,017	6,017,048
Net fair value (losses)/gains	35	(3,686,374)	(17,627,006)	(98,711)	2,734,456
Net realised gains	36	1,502,762	2,764,116	28,515	490
Impairment (allowance)/write back	38	(1,864,159)	(763,362)	10,875	(38,761)
Finance costs	39	(112,037)	(510,198)	-	-
Management expenses	37	(10,867,152)	(9,864,689)	(1,319,954)	(1,304,805)
Share of result of equity accounted investee	13	237,811	308,481	-	-
Share of loss from investment in joint venture	14	(4,746)	-	-	-
Profit before taxation		**13,776,433**	**12,322,233**	**5,623,742**	**7,408,428**
Income tax expenses	27	(2,614,463)	(2,151,302)	(663,747)	(830,668)
Profit from continuing operation		**11,161,970**	**10,170,931**	**4,959,995**	**6,577,760**
Discontinued operations					
Loss from discontinued operation	41	-	(116,286)	-	-
Profit for the period		**11,161,970**	**10,054,645**	**4,959,995**	**6,577,760**
Other comprehensive income (OCI):					
Items that will not be reclassified to profit or loss					
Equity-accounted investee -share of OCI	13	(7,056)	(9,029)	-	-
Net gain/(loss) on equity instrument at FVOCI	40	42,706	(107,103)	-	-
Other comprehensive income/(loss) for the period net of tax		35,650	(116,132)	-	-
Total comprehensive income for the period		**11,197,620**	**9,938,513**	**4,959,995**	**6,577,760**
Profit for the period attributable to:					
– Owners of the parent		10,673,387	10,659,759	4,959,995	6,577,760
– Non-controlling interests		488,583	(605,114)	-	-
		11,161,970	**10,054,645**	**4,959,995**	**6,577,760**
Total comprehensive income attributable to:					
– Owners of the parent		10,762,953	10,563,775	4,959,995	6,577,760
– Non-controlling interests		434,667	(625,262)	-	-
		11,197,620	**9,938,513**	**4,959,995**	**6,577,760**
Earnings per share:					
From continuing operations					
Basic/diluted earnings per share (kobo)	42	181	183	84	112
From continuing and discontinued operations					
Basic/diluted earnings per share (kobo)	42	181	181	84	112

Consolidated and separate statement of changes in equity
For the period ended 31 December 2022

Group

In thousands of naira	**Attributable to owners of the Parent**								
	Issued share capital	**Share premium**	**Retained earnings**	**Contingency reserve**	**Revaluation Reserve**	**Fair Value Reserve**	**Total**	**Non-controlling interests**	**Total equity**
At 1 January 2022	2,940,933	6,412,357	31,653,284	12,961,014	685,081	504,196	55,156,865	9,180,499	64,337,364
Profit for the period	-	-	10,673,387	-	-	-	10,673,387	488,583	11,161,970
Other comprehensive income		-	-	-	(54,583)	185,024	130,441	(94,791)	35,650
Loan from equity holder	-	-	(199,624)	-	-	-	(199,624)	(191,796)	(391,420)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	211,616	-	-	(211,616)	-	-	-
Gain on reclassification of asset of disposal group held for sale	-	-	350,264	-	-	-	350,264	336,528	686,792
Transfer between reserves	-	-	(633,410)	633,410	-	-	-	-	-
	2,940,933	6,412,357	42,055,517	13,594,424	630,498	477,604	66,111,333	9,719,023	75,830,356
Dividend Paid	-	-	(2,940,932)	-	-	-	(2,940,932)	(206,657)	(3,147,589)
At 31 December 2022	2,940,933	6,412,357	39,114,585	13,594,424	630,498	477,604	63,170,401	9,512,366	72,682,767

In thousands of naira	**Issued share capital**	**Share premium**	**Restated Retained earnings**	**Contingency reserve**	**Revaluation Reserve**	**Fair Value Reserve**	**Total**	**Restated Non-controlling interests**	**Total equity**
At 1 January 2021 (restated see note 50)	2,940,933	6,412,357	25,419,327	11,679,092	698,693	538,075	47,688,477	9,895,488	57,583,965
Profit for the period	-	-	10,659,759	-		-	10,659,759	(605,114)	10,054,645
Other comprehensive income			-	-	(13,612)	(24,850)	(38,462)	(68,641)	(107,103)
Share of profit	-	-	-	-	-	(9,029)	(9,029)	-	(9,029)
Net changes in fair value of loan from equity holders			91,145	-	-	-	91,145	87,570	178,715
Mandatory takeover of NCI	-	-	-	-	-	-	-	(18,725)	(18,725)
Transfer between reserves	-	-	(1,281,922)	1,281,922	-	-	-	-	-
	2,940,933	6,412,357	34,888,309	12,961,014	685,081	504,196	58,391,890	9,290,578	67,682,468
Dividend Paid	-	-	(3,235,025)	-	-	-	(3,235,025)	(110,079)	(3,345,104)
At 31 December 2021	2,940,933	6,412,357	31,653,284	12,961,014	685,081	504,196	55,156,865	9,180,499	64,337,364

Company

	Attributable to owners of the Company						
In thousands of naira	**Issued share capital**	**Share premium**	**Retained earnings**	**Contingency reserve**	**Revaluation Reserve**	**Fair value reserve**	**Total**
At 1 January 2022	2,940,933	6,412,357	19,187,018	-	-	-	28,540,308
Profit for the period	-	-	4,959,995	-	-	-	4,959,995
Dividend Paid	-	-	(2,940,932)	-	-	-	(2,940,932)
At 31 December 2022	2,940,933	6,412,357	21,206,081	-	-	-	30,559,371
At 1 January 2021	2,940,933	6,412,357	15,844,282	-	-	-	25,197,572
Profit for the period	-	-	6,577,760	-	-	-	6,577,760
Dividend Paid			(3,235,025)				(3,235,025)
At 31 December 2021	2,940,933	6,412,357	19,187,018	-	-	-	28,540,308

Consolidated and separate statement of cash flows

In thousands of naira	Note	Group 31-Dec-22	Group Restated '31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash flows from operating activities					
Profit before taxation		13,776,433	12,322,233	5,623,742	7,408,428
Adjustments for non-cash items:					
– Write back of excess tax provision		-		-	
– Depreciation of property, plant and equipment	18	581,739	431,153	81,714	44,660
– Depreciation on right-of-use assets	20	58,065	50,361	-	-
– Impairment charge/(write back) on financial assets at amortised costs	38	509,684	(8,570)	(32,227)	71,106
– Amortisation of intangible assets and deferred expenses	17	64,898	57,344	8,377	-
– Profit on disposal of property, plant and equipment	36	(39,461)	(14,015)	(1,200)	-
– Loss/(gain) on disposal of investment property	36	41,081	(284,734)	-	-
– Gain on disposal equities & other investment	36	(1,474,340)	(2,677,413)	(27,315)	-
– Fair value losses on financial assets FTPL		6,168,888	3,421,054	573,747	178,012
– Fair value gains on investment properties	35	(114,878)	(2,459,531)	(350)	(2,444,086)
– Exchange rate differential	35	(2,433,855)	(2,457,490)		
– Share of result of equity accounted investee	13	(237,811)	(308,481)	-	-
– Share of loss from investment in joint venture	14	4,746	-	-	-
– WHT on dividend	27	499,853	411,983	499,854	411,983
– Dividend income	32	(919,335)	(635,842)	(5,093,706)	(4,274,082)
– Interest income	33	(1,299,805)	(687,420)	(145,264)	(214,430)
– Investment income	33	(13,828,880)	(10,911,999)	(358,488)	(65,757)
– Loss from discontinued operation	41	-	(116,286)	-	-
Changes in working capital:					
Increase in reinsurance assets	8	(1,142,102)	(374,167)	-	-
(Increase)/decrease in other receivables and prepayment	11	175,909	1,022,849	(429,466)	563,347
(Increase)/decrease in trade receivables	7	(1,478,852)	243,146	-	-
Increase in deferred acquisition cost	10	(202,873)	(121,863)	-	
Increase/ (Decrease) in insurance contract liabilities	21	15,042,979	(4,505,302)	-	-
Increase in investment contract liabilities	22	454,017	2,543,573	-	-
Increase in other liabilities	26	1,556,080	1,474,364	265,528	223,242
Increase in trade payable	24	3,515,552	3,991,381	-	-
Decrease/(increase) in inventories	9	818,750	(1,144,587)	-	-
Increase in statutory deposit	19	(373,271)	(1,739,144)	-	-
Decrease in borrowings	23	(337,448)	(2,905,879)	-	-
Income tax paid	27	(1,253,920)	(987,003)	(14,006)	(3,792)
Net cash provided by operating activities		18,131,843	(6,370,285)	950,940	1,898,631
Cash flows from investing activities					
Purchase of property, plant and equipment	18	(1,164,222)	(697,807)	(388,592)	(82,431)
Lease payment for right-of-use asset	20	(16,600)	(39,948)	-	-
Proceeds on disposal of property, plant and equipment		53,371	30,658	1,201	-
Proceeds on disposal of investment property		-	1,402,292	-	
Purchase of intangible	17	(104,670)	(70,722)	-	(25,132)
Purchase of investments (financial assets)		(41,083,761)	(3,915,957)	(3,925)	(4,193,646)
Redemption of investments (financial assets)		12,793,733	2,254,245	1,122,129	561,082
Purchase of investment in equity accounted investee	13	1,450,490	(70,947)	(2,584,623)	-
Purchase of investment properties	15	(25,952)	(24,147)	-	-
Dividend received	27&32	419,482	223,859	4,593,852	3,862,099
Investment income received	33	15,128,685	11,599,419	503,752	280,187
Net cash (used)/provided by investing activities		(12,549,444)	10,690,945	3,243,794	402,159
Cash flows from financing activities					
Dividend Paid during the period		(3,147,589)	(3,345,104)	(2,940,932)	(3,235,025)
Purchase of investment in subsidiaries	12	-	-	-	(118,725)
Net cash used in financing activities		(3,147,589)	(3,345,104)	(2,940,932)	(3,353,750)
Net increase in cash and cash equivalents		2,434,810	975,556	1,253,802	(1,052,960)
Cash and cash equivalents at beginning of the year		17,176,184	13,743,138	601,326	1,654,286
Effect of change in exchange rate	35	2,433,855	2,457,490	-	-
Cash and cash equivalents at end of the period	5	22,044,849	17,176,184	1,855,128	601,326

Notes to the Consolidated and Separate Financial Statements

1 Corporate information

a) **Custodian Investment Plc**. (“the Company”) is the investment holding company that resulted from the successful merger of Custodian and Allied Insurance Plc and Crusader (Nigeria) Plc. Custodian Investment Plc was incorporated on 22 August 1991 as a private limited liability company under the name Accident and General Insurance Company Limited. It changed its name to Custodian and Allied Insurance Plc on 5 February 1993, became a public limited liability company on 29 September 2006 and later changed its name to Custodian Investment Plc on 24 May 2018.

The Company is quoted on the Nigerian Stock Exchange and has its registered office at 16A Commercial Avenue, Sabo Yaba Lagos, Nigeria.

The financial statements of Custodian Investment Plc have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements of the Company and the consolidated and separate financial statements of the Group are as at, and for the period ended, 31 December 2022.

b) Principal activities

Custodian Investment Plc is an investment holding company with significant interests in life and non-life insurance, pension fund administration, trusteeship and property holding companies. The subsidiaries are:

- Custodian and Allied Insurance Limited - a wholly owned subsidiary that carries on general insurance business,

- Custodian Life Assurance Limited - a wholly owned subsidiary that underwrites life insurance risks, such as those associated with death, disability and health liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with fund management solutions for their savings and other long-term needs.

- Custodian Trustees Limited - a wholly owned subsidiary that carries on the business of Trusteeship and Company Secretarial services.

- CrusaderSterling Pensions Limited - a subsidiary that is involved in the administration and management of Pension Fund Assets. This is not a wholly owned subsidiary.

- UPDC Plc - a subsidiary that engages in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail property assets across Nigeria. The group owns 51% UPDC.

c) Going Concern

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

d) Statement of compliance

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

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

2 Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

The financial statements comprise the consolidated and separate statements of financial position, 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 and summary of significant accounting policies and notes to the consolidated and separate financial statements which have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets measured at fair value through profit or loss, investment properties, investment in equity instruments at fair value through other comprehensive income and property plant and equipment, which have been measured at fair value.

The Group and the Company classifies their expenses by the nature of expense method.

The figures shown in the consolidated and separate financial statements are stated in thousands unless otherwise indicated.

The disclosures on risks from financial instruments are presented in the financial risk management report.

The consolidated and separate statements of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The cash flows from operating activities are determined by using the indirect method and the net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities in the corresponding note. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Fees and commission received or paid, income tax paid are classified as operating cash flows.

The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach).

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

2.2 Basis of consolidation

Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group‘s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

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 recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. In the separate financial statements, investments in subsidiaries and associates are measured at cost.

Loss of Control

On loss of control, the Group derecognises 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 recognised 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 investee or as an financial asset at fair value through other comprehensive income (FVTOCI) depending on the level of influence retained.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and it‘s carrying value, and then recognises the loss as Share of profit of an associate in profit or loss

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

Non-controlling interests are measured at their proportionate share of the acquirer’s identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

2.4 Summary of significant accounting policies

a) Insurance contracts

Classification of Insurance contracts
IFRS 4 requires contracts written by insurers to be classified as either ‘insurance contracts’ or ‘investment contracts‘ depending on the level of insurance risk transferred. Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policy holder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk, transferred from the holder of the contract to the issuer.

Recognition valuation and measurement
Insurance contract liabilities are recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract.

b) Premiums
Gross premium written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premium income includes adjustments to premiums written in prior accounting periods.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

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

c) Reinsurance

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

Premium ceded, claims reimbursed, and commission recovered are presented in the profit or loss and statement of financial position separately from the gross amounts. Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges.

In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred. Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date.

Such assets are deemed impaired if there is objective evidence, as result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

d) Claims incurred

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses. The gross provision for claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided.

Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material. The liability for Incurred but not Reported (IBNR) claims is calculated at the end of the reporting period, using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability was discounted for time value of money; and no further provision was made for equalisation or catastrophe reserves (as prohibited by IFRS 4).

The methods used and estimates made for claims provisions are reviewed regularly.

e) Acquisition costs

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contracts revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision.

f) Deferred expenses

Deferred acquisition costs (DAC)
Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

Subsequent to initial recognition, DAC for general insurance are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized in the same manner as the underlying asset amortization is recorded in the profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss.

DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognized when the related contracts are either settled or disposed of.

Deferred expenses - Reinsurance commissions

Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

g) Interest
Interest income and expense for all interest-bearing financial instruments, except for those classified at fair value through profit or loss, are recognised within 'investment income' and 'finance cost' in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

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

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

Revenue from contract with customers
The Group is also in the business of acquiring, developing, selling and managing high quality, serviced commercial and residential accommodation and retail space. These contracts are divided into three revenue streams namely:

- Sales of Goods - Sale of property stock
- Facilities management services provided to the customer: Rendering of services - Management fees and service charge surcharge

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below:

Sale of goods - Sale of Property Stock
Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of
property, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)

Significant financing component
Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group does not adjust any of the transaction prices for the time value of money."

Contract Balances

Trade Receivables
A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract."

h) Rental income
Rental income arising from operating leases on investment properties and land and building is accounted for on a straight-line basis over the lease terms and is included in other operating income.

i) Income tax expenses
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

recoverable in respect of previous periods.

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

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income 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.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are off set if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

j) Foreign currency translation

The Nigerian Naira is the Company's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date, the resulting foreign exchange gain or loss is recognized in the profit or loss.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currency at historical cost are translated using the exchange rate at the date of the transaction: no exchange differences therefore arise. Non-monetary assets and liabilities denominated in foreign currency at fair value are translated using the exchange rate ruling at the date that the fair value was determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

k) Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other investment and sundry income

l) Earnings per share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) 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 Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

o) Financial instrument

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on Revenue from non-insurance contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Business model assessment

There are three business models available under IFRS 9:

- Hold to collect Financial assets with objective to collect contractual cash flows.

- Hold to Collect and sell (Financial assets held with the objective of both collecting contractual cash flows and selling financial assets).

- Other Financial Assets held with trading intent or that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and sell.

The Assessment of the business model requires judgment based on the facts and circumstances as at the date of the assessment. Custodian Investment Plc has considered quantitative factors (e.g. expected frequency and volume of sales) and qualitative factors such as how the performance of the business model and financial assets held within the business model are evaluated and reported to management; the risk that affect the performance of the business, model and the financial assets held within the business model. In particular, the way in which those risks are managed; and how management received returns on the assets (i.e. whether the returns are based on fair value of the assets managed or on contractual cash flows collected).

Solely Payments of principal and Interest (SPPI)
If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification.

Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group‘s financial assets at amortised cost includes debt instruments (bonds), loans to staff, fixed deposits with banks and other receivables.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

During the year under consideration, the Group did not have any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the

Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non- listed equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

  Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moodys and Fitch as well as local ratings by Agusto and Co. It is the Group‘s policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Group will sell the bond and purchase bonds meeting the required investment grade.

The Group’s debt instruments at amortised cost comprise solely of quoted bonds that are graded in the top investment category and the credit ratings are tracked by the finance and investment teams via publications by International Credit Rating Agencies and trading exchange platforms.

The Group's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Group‘s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises its receivables for write off when a debtor fails to make contractual payments greater than 360 days past due. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Group's procedures for recovery of amount due.

p) Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments
The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method. Once the convertible security is not convertible to fixed numbers of ordinary shares, it cannot be considered a compound instrument.

Financial liabilities are classified as either financial liabilities ’at fair value through profit or loss (FVTPL)' or ’other financial liabilities'.

The Group does not have any financial liability that is measured at fair value through profit or loss during the period under review.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are extinguished- i.e. when the obligation specified in the contract is discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

q) Fair value measurement
The Group measures financial instruments such as equity instruments, and non-financial assets such as investment properties, at fair value at each reporting date. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

External valuers are involved for valuation of significant assets, such as investment properties. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

r) Impairment of non-financial assets

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

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. The Group assesses at each reporting date whether there is any objective evidence that non- financial asset or group of non-financial assets are impaired.

s) Reinsurance assets

Reinsurance assets consist of short-term balances due from reinsurers as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurances contracts.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the insurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit or loss.

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party. These are deposit assets that are recognized based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

t) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited independent external valuer applying a valuation model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The amount of consideration to be included in the gain or loss arising from derecognition of investment property is determined in accordance with the requirements for determining the transaction prices in IFRS 15.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If a property initially classified as property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings: the transfer is not made through profit or loss.

u) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period (three years) and the amortization method (straight line) for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss.

v) Property, plant and equipment

All categories of property, plant and equipment (except freehold property) are initially recorded at cost. Subsequently, land and buildings are measured using revaluation model at the end of the financial year. Any increase in the value of the assets is recognized in other comprehensive income and accumulated surplus ,unless the increase is to reverse a decrease in value previously recognized in profit or loss where by the increase will be recognized in profit or loss .A decrease in value of land and building as a result of revaluation will be recognized in profit or loss unless the decrease is to reverse an increase in value previously recognized in other comprehensive income whereby the decrease will be recognized in other comprehensive income.

Recognition and measurement
Other items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

Freehold property	33.3 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	4 years
Office equipment	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

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

w) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

x) Statutory deposit

Statutory deposit represents a percentage of the paid-up capital of some of the subsidiary companies' deposit with Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at amortised cost. The deposit is however restricted.

y) Insurance Contract Liabilities

- Non-life insurance contract liabilities

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money due to it short term nature. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

Provision for unearned premium

In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year. This practice is consistent with the requirement of IFRS.

Provision for outstanding claims

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

Provision for unexpired risk

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

- Life insurance contract liabilities

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

1) Types of Insurance Contracts

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

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

Annuity contracts

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

Group life insurance contracts premium and claims

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

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission."""

Claims expenses are charged to income as incurred based on the sum assured agreed at the inception of the policy. They include direct claims that arise from death or disability that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported.

(i) Annuity premium and claims

Annuity premiums relate to single premium payments and recognised as earned premium income in the period in which payments are received. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to income statement as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

(ii) Deferred policy acquisition costs (DAC)

Acquisition costs comprise all direct and indirect costs arising from the writing of life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial period and are deferred to the extent that they are recoverable out of future revenue margins. For the group life contracts, it is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium: while no assets are established in respect of deferred acquisition cost for individual life and annuity contracts.

(iii) Deferred income

Deferred income represents a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

(iv) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance companies (as coinsurers) and reinsurance companies.

-Receivables and payables to agents, brokers and insurance companies (as coinsurers)

The Group's receivables and payables to agents, brokers and insurance companies (as coinsurers) relate to premium and commission. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

- Reinsurance and coinsurance contracts held

Contracts entered into by the Group with reinsurers and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set- off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the number of days that the receivable has been outstanding.

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

z) Investment Contract Liabilities
Investment contracts are classified between contracts with and without DPF. The accounting policies for investment contract liabilities with DPF are the same as those for life insurance contract liabilities.

Investment contract liabilities without DPF are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the statement of profit or loss.

Fair values are determined at each reporting date and fair value adjustments are recognised in the statement of profit or loss in “Gross change in contract liabilities”.

Non-unitised contracts are subsequently also carried at fair value. The liability is derecognised when the contract expires, discharged or cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

aa) Retirement benefit obligations

Defined contributory scheme
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2014, the Group operates a defined contribution scheme: employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute a minimum of 8% and 10% respectively of the employee's emoluments (basic, housing and transport allowances). The Group's contribution each year is charged in profit or loss income and is included in staff cost. 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.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

ab) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

ac) Share capital and reserves

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares

Dividends on the Company’s ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company‘s shareholders

Treasury shares

Where the Company purchases the Company‘s share capital, the consideration paid is deducted from the shareholders‘ equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders’ equity.

ad) Share premium equity reserve

Share premium reserve represents surplus on the par value price of shares issued. The share premium is classified as an equity instrument in the statement of financial position.

ae) Contingency reserve

The Group maintains Contingency reserves for non-life business in accordance with the provisions of S. 21 of the insurance Act 2003 to cover fluctuations in securities and valuations in statistical estimates at the rate equal to the higher of 3% of total premium and 20% of the net profits; until the reserves reaches the greater of minimum paid up capital (N3biIIion) or 5O% of net premium.

af) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company’s primary format for segment reporting is based on business segments.

ag) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Fees and commission income consists primarily of agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commission receivables are deferred in the same way as acquisition costs. All other fees and commission income are recognized as the services are provided.

ah) Investment income

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Investment income consists of dividend, interest and rent received, movements in amortized cost on debt securities and other loans and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

2.5 Changes in accounting policies and disclosures

New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business
The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

The Group acquired a new business during the year, the amendment did not have any material impact on the Group financial statements.

Amendments to IAS 1 and IAS 8 Definition of material
The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

New and amended IFRS Standards that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.
In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Group given that it does not applies hedge accounting to its benchmark interest rate exposures.

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

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

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

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

c) There is no substantive change to other terms and conditions of the lease.
In the current financial year, the Group has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020) as it did not receive any COVID-19 related rent concession on its leases.

3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

i. Impairment on receivables
In accordance with the accounting policy, the Group tests annually whether premium receivables have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations required the use of estimates based on passage of time and probability of recovery.

ii. Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

iv. Non-life insurance contract liabilities estimates

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method.

The main assumption underlying these techniques is that a Company‘s past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

In most cases, no explicit assumptions are made regarding 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.

Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operation of the Group. The Directors have made assessment of the Group's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the next 12 months ahead.

Insurance product classification and contract liabilities

The Group’s non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 4, assets and liabilities of these contracts are accounted for under previously applied GAAP.

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Valuation of liabilities of non-life insurance contracts
Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder, Stochastic reserving (Bootstrap) and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

Additional qualitative judgement 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 judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

The carrying amount for non-life insurance contract liabilities at the reporting date is N13.16million (2020: N11.81million).

Valuation of liabilities of life insurance contracts and investment contracts
The liability for life insurance contracts and investment contracts is based either on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide range changes to life style, could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Fair value of financial instruments using valuation techniques
The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price

information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use “market observable inputs” where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the Group estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

Valuation of property, plant and equipment and investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2020 for Investment properties and revalued land and buildings. For investment properties, a valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in OCI. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Deferred tax assets
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying value at the reporting date of deferred tax asset is disclosed in Note 27.

Impairment under IFRS 9
The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost and trade receivables. The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition."

Staged Approach to the Determination of Expected Credit Losses
IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:"

Stage 1: The Group recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Group recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Group recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired.

The Group does not originate or purchase credit impaired loans or receivables.

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: the Group considers the obligor is unlikely to pay its credit obligations to the company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case by case basis for non- homogenous portfolios, or by applying portfolio based parameters to individual financial assets in this portfolios by the Company‘s ECL model for homogenous portfolios.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability — weighted present value of the difference between:

1) The contractual cash flows that are due to the Company under the contract: and

2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

- The Company‘s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:
The expected life time of a financial asset is a key factor in determine the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower’s extension option) over which it is exposed to credit risk.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

At its March 2020 meeting, the IASB tentatively decided to defer the effective date of IFRS 17 by two years, such that entities would apply the amended Standard for annual periods beginning on or after January 1, 2023. The IASB also tentatively decided on a consequential amendment to IFRS 4 Insurance Contracts to defer the fixed expiry date for the temporary exemption from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

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

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

- **Identification of contracts in scope of IFRS 17**
  The standard establishes principles for the recognition, measurement , presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participatory features(DPF).

  The Company has assessed whether its portfolio of an insurance contracts needs to be treated as a single contract and if there exist any embedded derivatives investment components and goods and services components exist. which would have to be separated and accounted for under another standard. For insurance contract and reinsurance contracts held, the Company would be recalibrating all insurance contracts into IFRS 17 Groups as well as assessing the new and future policies at inception to align with the standard's requirements.

- **Level of aggregation**
  Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for the purpose of measurement. Groups of contracts written by the company on the determined first by identifying portfolios of contracts comprising contracts subject to similar risk and managed together. Contracts in different product lines or issued by different entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts(i.e. by the year of issue) and each cohort into three groups- onerous contracts on initial recognition, contracts that on initial recognition have no significant possibility of becoming onerous subsequently and any remaining

contract in the annual cohort.

The Company is applying a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes.

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

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

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations"

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

The Company plans to divide portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

- **Contract Boundaries**

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

  For Insurance contracts, cashflows are withing the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay premiums or has a substantive obligation to provide services(including insurance coverage and investment services. The substantive obligation to provide services ends when the company has the practical ability to reassess the risk of the particular policyholder or portfolio that contains the contract and can set a price or levels of benefit that fully reflects those reassessed risks and the pricing of the premiums up to the reassessment date does not take into consideration risks that relate to periods after the reassessment date in the case of a portfolio. On the grounds that company's portfolio of insurance contracts have annual terms and assessed as guaranteed to be renewable each year while the company does not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level, the company accounts for the contracts as annual contracts and cash flows related to future renewals will be within the contract boundary.

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

- **Measurement - Overview**
  The New standard introduces a building block measurement model based on the estimation of present value of future cash flows that are expect to arise as the company fulfils the contract, an explicit risk adjustment for non financial risk and a Contractual Service Margin(CSM)- General Model. Contracts are subjected to different requirements depending on whether they are classified as direct participatory contracts or contracts without direct participatory features. Direct participatory contracts are contracts that are substantially investment related service contracts under which the insurer promises an investment return based on underlying terms. Such contracts are measured using the variant of the General model- variable fee model.

An optional simplified measurement model called Premium Allocation Approach(PAA) is available for insurance and reinsurance contracts that meet the eligibility criteria. The Company has chosen to apply the PAA to all contracts as a Non life business underwriting company whose portfolio meets the criteria stated below at inception of her respective insurance and reinsurance contracts.

- The coverage period of each contract in the company is one year or less.
- The resulting measurement of the asset for remaining coverage is not materially different from the result of applying the general model.

On initial recognition of each group of Non life insurance contracts, the carrying amount of the liability for remaining coverage is measure at the premium received on the initial recognition as the group elects to recognise acquisition cashflows as expenses when they are incurred.

Subsequently, the liability for remining coverage is increased by any further premiums received and decreased by amount recognised as insurance revenue for services provided. The Company expects that the time between providing each part of the services and the related premium due date will not be more than one year and therefore will not adjust the liability for remining coverage to reflect the time value of money and effect of financial risk.

If at any time before or during the coverage period, facts and circumstances indicates that the group of contracts is onerous, the Company will recognise a loss in the statement of profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilling cash flows that relates to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cashflows will be discounted(at current rates) if the liability for insured claims is also discounted.

The company will recognise the liability for insured claims of a group of contracts at the amount of the fulfilment cash flows relating to insured claims. The fulfilment cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

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

Estimates of future cash flows

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

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices. When estimating future cash flows, the Company will take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted.

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

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

Discount rates

The Company will generally determine risk-free discount rates using the observed yield curves for bond rated banks (adjusted for the bank's credit risk) or government bond yields will be used. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate will be subject to revision, it is expected to be updated only on significant changes to long-term expectations. To reflect the liquidity characteristics of the contracts, the risk-free yield curves will be adjusted by an illiquidity premium. liquidity premiums will generally be determined by comparing the spreads on corporate bonds with the costs of credit default swaps with matching critical terms for the same issuer.

Under IFRS 17, the company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The company does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

Measurement - Premium Allocation Approach

The company have assessed all options and practical expedients available in IFRS 17 and is currently assessing it positions on the options below:

Alternatives	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for the non life business portfolios especially property insurance and liability reinsurance) are one year or less and so qualifies automatically for PAA. Though policies under Engineer class of business which include erection and contractor all risk insurance may have coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For one-year property business, insurance acquisition cash flows are expensed as incurred. For all other business, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For contactor all risk and erection insurance, an allowance is made for accretion of interest on the LFRC. For all other business, there is no allowance as the premiums are received within one year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For all non life business, the change in LFIC as a result of changes in discount rates will be captured within profit or loss.

Transition stage

The Group has formalized its IFRS 17 implementation road map in line with the regulatory guidance as issued by its industry regulator - National Insurance Commission (NAICOM). It has performed gap analysis, financial and operational impact assessment, and is in the process of deploying the required software solution in readiness for full implementation of IFRS 17.

Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, the company is presently in the process detailed below to arrive at a position as at 1 January 2023:

- Identify, recognise and measure each group of insurance contracts as if IFRS 17 had always applied
- identify, recognise and measure assets for insurance acquisition cash flows as if IFRS 17 has always applied. At transition date, a recoverability assessment will be performed and impairment loss identified recognised
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity

Impact assessment

Although the PAA is similar to the Company's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for the company's portfolio of insurance contracts:

Under IFRS 17, the company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The company does not currently discount such future cash flows. This will have an increasing impact on equity on transition to the new standard.

The New standard also require that the fulfilment cash flows be adjusted for non financial risk (risk adjustment) to reflect the compensation that the company would require for bearing non financial risk and its degree of risk aversion which is different from current practice. The risk adjustment will be determined using confidence level technique based o probability distribution of the expected present value of the future cashflows from the contracts at each reporting date and calculate a risk adjustment as an excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. This is expected to have a decreasing impact on equity at transition.

Based on the Company's assessment undertaken to date, the Company estimates that the initial application of IFRS 17 will have the following impacts on its financial statements:

- the total adjustment (after tax) to the balance of the company's total equity is estimated to be a reduction of ₦3.62billion at 1 January 2023 and ₦3.20 billion at 1 January 2022
- Profit after tax will reduce by ₦0.48bllion as a result. The Company will restate comparative information on adoption of IFRS 17.

The preliminary assessment above is based on transition work done so far. The actual impact of adopting the standard on 1January 2023 and 2022 may change because the company is still refining the new accounting processes and internal controls required for the application of the standard, testing and assessing its controls over the new IT systems, changes in governance framework is still ongoing and the new accounting policies, assumptions and judgements and estimation techniques employed so far are subject to change until the company finalises its first financial statements that include the date of initial application.

Amendments to IFRS 10 and IAS 28 —Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

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

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

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

Amendments to IFRS 3 – Reference to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

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

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

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

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

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

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

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

Annual Improvements to IFRS Standards 2018–2020

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

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

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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

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

Amendments to IAS 1 and IFRS Practice Statement 2 —Disclosure of Accounting Policies
The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 —Definition of Accounting Estimates
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 —Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

  – Right-of-use assets and lease liabilities
  – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Notes to the Consolidated and Separate Financial Statements

5 Cash and cash equivalents

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Cash-in-hand	250	245	20	20
Balances held with local banks	3,656,782	2,403,797	76,341	103,751
Balances held in domiciliary accounts	795,435	1,462,152	11,493	2,765
Reserve with Pension Custodian	-	3,672	-	-
Placements with banks	17,865,462	13,584,896	1,795,423	501,587
	22,317,929	**17,454,762**	**1,883,277**	**608,123**
Less: Allowance for credit losses (see note 5.1 below)	(273,080)	(278,578)	(28,149)	(6,797)
	22,044,849	**17,176,184**	**1,855,128**	**601,326**

Bank placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. Reserve with Pension Custodian relates to mandatory cash reserve placed with First Pension Custodians Limited the custodian for group's pension subsidiary's managed assets.

Allowance for credit losses represents amount determined in accordance with the Expected Credit Loss (ECL) model under IFRS 9 Financial Instruments

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

Cash and cash equivalent is the same for cash flow purpose as presented.

Notes to the Consolidated and Separate Financial Statements

5.1 Gross carrying amount and impairment allowance loss on cash and cash equivalents (excluding cash-on-hand)

An analysis of changes in the gross carrying amount and corresponding ECLs is as follows:

Group	**Stage 1**		**Stage 2**		**Stage3**		**Total**	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	14,049,938	235,273	-	-	-	-	14,049,938	235,273
New assets purchased	36,686,910	274,861	-	-	-	-	36,686,910	274,861
Assets derecognised or matured	(28,420,155)	(244,138)	-	-	-	-	(28,420,155)	(244,138)
Changes to models and inputs used for ECL calculations	1,236	7,084	-	-	-	-	1,236	7,084
Foreign exchange adjustments			-	-	-	-	-	-
At 31 December 2022	22,317,929	273,080	-	-	-	-	22,317,929	273,080
As at 1 January 2021	13,935,731	192,593	-	-	-	-	13,935,731	192,593
New assets purchased	47,129,432	(697,796)	-	-	-	-	47,129,432	(697,796)
Assets derecognised or matured	(41,881,265)	174,491	-	-	-	-	(41,881,265)	174,491
Changes to models and inputs used for ECL calculations	(1,759,329)	608,734	-	-	-	-	(1,759,329)	608,734
Foreign exchange adjustments	30,193	556	-	-	-	-	30,193	556
At 31 December 2021	17,454,762	278,578	-	-	-	-	17,454,762	278,578

Company	**Stage 1**		**Stage 2**		**Stage3**		**Total**	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	608,123	6,797	-	-	-	-	608,123	6,797
New assets purchased	23,071,957	258,406	-	-	-	-	23,071,957	258,406
Assets derecognised or matured	(21,798,039)	(244,138)	-	-	-	-	(21,798,039)	(244,138)
Changes to models and inputs used for ECL calculations	1,236	7,084	-	-	-	-	1,236	7,084
At 31 December 2022	1,883,277	28,149	-	-	-	-	1,883,277	28,149
As at 1 January 2021	1,688,783	34,517	-	-	-	-	1,688,783	34,517
New assets purchased	26,453,195	296,473	-	-	-	-	26,453,195	296,473
Assets derecognised or matured	(25,846,659)	(289,675)	-	-	-	-	(25,846,659)	(289,675)
Changes to models and inputs used for ECL calculations	(1,687,196)	(34,518)	-	-	-	-	(1,687,196)	(34,518)
At 31 December 2021	608,123	6,797	-	-	-	-	608,123	6,797

Notes to the Consolidated and Separate Financial Statements

6 Financial assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
The Group's financial assets are summarised by categories as follows:				
Fair value through profit or loss	82,577,385	68,536,913	528,078	1,101,825
Fair value through OCI (see note 6.1 below)	2,645,972	1,391,534	391,000	391,000
Debt securities at amortised cost (see note 6.2 below)	51,244,163	44,031,311	2,923,160	3,981,822
Total financial assets	**136,467,520**	**113,959,758**	**3,842,238**	**5,474,647**

Included in financial assets of the group and company are N1.126billion (2021: N1.032billion) and N856.94million (2021: N779.22million) respectively, being unclaimed dividend that have been returned by the Registrars to be held against claims by the beneficiaries.

6.1 Fair value through OCI

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Quoted equity securities	400,240	-	-	-
Unquoted securities	2,245,732	1,391,534	391,000	391,000
Total Fair value through OCI	2,645,972	1,391,534	391,000	391,000

The quoted equity securities are majorly equities which are traded on the Nigerian Exchange Ltd (NGX).
The unquoted securities are majorly equities which are not traded or quoted on any stock exchange. The Group has no intention to dispose the securities in the foreseeable future.

ii The Group's equity instruments designated at fair value through other comprehensive income include investments in equity shares of non listed companies and other OTC traded equities. The Company holds non controlling interest (between 2% and 9%) in these companies. These investments were irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature.
The fair values of the non listed equities are determined using either income or market approach while fair value of OTC listed equities are determined by reference to the published price quotation in the active market. The resulting fair value adjustments of all equities designated at fair value through other comprehensive income(FVTOCI) are recorded in other comprehensive income.
The Group received dividends of N228.2million on equity shares designated as FVTOCI during the year(2021: N35.6million).

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
ARM Properties Plc.	8,800	8,800	-	-
Friesland Wamco Nig. Plc.	3,183	5,596	-	-
ARM Hospitality Fund	207,369	119,482	-	-
African Reinsurance Corporation	263,060	241,473	-	-
Energy and Allied Insurance Pool of Nigeria	293,171	285,065	-	-
Mainstreet Technologies Limited	-	173,171	-	-
Interswitch Limited	923,000	-	-	-
WSTC Financial Services Limited	62,337	51,828	-	-
FBS Reinsurance Limited	391,000	391,000	391,000	391,000
Investment in Healthcare International Limited	30,438	56,384	-	-
Investment in Kakawa Guaranteed Fund	14,329	14,221	-	-
Investment in Paramount Equity Fund	373	339	-	-
Investment in Afrinvest Nigeria International Debt Fund	48,672	44,175	-	-
	2,245,732	**1,391,534**	**391,000**	**391,000**

Movement in investments at fair value through other comprehensive income

Balance, beginning of year	1,391,534	881,908	391,000	-
Additions during the year	841,895	393,051	-	391,000
Proceeds on disposals	(278,542)	-	-	-
Accrued interest	108	-	-	-
Fair value gain	290,737	116,575	-	-
Balance, end of year	**2,245,732**	**1,391,534**	**391,000**	**391,000**

6.2 ***Debt securities at amortised cost***

Federal Government Bonds	33,383,194	28,247,854	-	-
State Government Bonds	1,331,245	1,474,152	-	-
Corporate Bonds	15,946,860	12,822,076	-	-
Treasury Bills and Tenor Deposits Greater than 90 days and Others	259,361	264,587	-	-
Loan to policy holders	98,766	90,427	-	-
Shareholder’s Loan to subsidiary	-	-	2,589,805	3,226,707
Staff Loans and other advances	505,185	414,767	255,445	251,520
Commercial papers	157,360	1,075,262	118,027	575,939
	51,681,971	44,389,125	2,963,277	4,054,166
Less: Allowance for credit losses (See note 6.3 below)	(437,808)	(357,814)	(40,117)	(72,344)
Total	51,244,163	44,031,311	2,923,160	3,981,822

Notes to the Consolidated and Separate Financial Statements

6.3 Gross carrying amount and impairment for debt instruments at amortised cost

Group

	Stage 1		Stage 2		Stage3		Total	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	44,389,125	357,814	-	-	-	-	44,389,125	357,814
New assets purchased	11,214,241	69,958	-	-	-	-	11,214,241	69,958
Assets derecognised or matured	(4,786,483)	(67,611)	-	-	-	-	(4,786,483)	(67,611)
Changes to models and inputs used for ECL calculations	55,880	68,179	-	-	-	-	55,880	68,179
Foreign exchange adjustments	809,208	9,468	-	-	-	-	809,208	9,468
At 31 December 2022	51,681,971	437,808	-	-	-	-	51,681,971	437,808
As at 1 January 2021	40,619,213	406,573	-	-	-	-	40,619,213	406,573
New assets purchased	26,975,938	179,705	-	-	-	-	26,975,938	179,705
Assets derecognised or matured	(21,253,349)	(179,570)	-	-	-	-	(21,253,349)	(179,570)
Changes to models and inputs used for ECL calculations	(8,571,406)	(94,576)	-	-	-	-	(8,571,406)	(94,576)
Foreign exchange adjustments	6,618,729	45,683	-	-	-	-	6,618,729	45,683
At 31 December 2021	44,389,125	357,814	-	-	-	-	44,389,125	357,814

Company

	Stage 1		Stage 2		Stage3		Total	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	4,054,166	72,344	-	-	-	-	4,054,166	72,344
New assets purchased	758,291	13,498	-	-	-	-	758,291	13,498
Assets derecognised or matured	(1,905,060)	(33,910)	-	-	-	-	(1,905,060)	(33,910)
Changes to models and inputs used for ECL calculations	55,880	(11,815)	-	-	-	-	55,880	13,498
Foreign exchange adjustments			-	-	-	-	-	-
At 31 December 2022	2,963,277	40,117	-	-	-	-	2,963,277	40,117
As at 1 January 2021	1,289,238	1,239	-	-	-	-	1,289,238	1,239
New assets purchased	4,054,166	3,892	-	-	-	-	4,054,166	3,892
Assets derecognised or matured	(1,289,238)	(1,238)	-	-	-	-	(1,289,238)	(1,238)
Changes to models and inputs used for ECL calculations	-	68,451	-	-	-	-	-	68,451
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2021	4,054,166	72,344	-	-	-	-	4,054,166	72,344

Notes to the Consolidated and Separate Financial Statements

6.4 Maturity profile of total financial assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Within one year	77,679	1,072,462	2,923,160	3,981,822
More than one year	136,389,841	112,887,296	919,078	1,492,825
	136,467,520	113,959,758	3,842,238	5,474,647

i Corporate bonds are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence the corporate bonds are classified as at FVTPL. The investments in listed corporate bond details are as below:

Corporate Bonds	Transaction date	Settlement date	Face value (N'000)	Coupon rate	Maturity date	Fair Value (N'000)
14.90 NMRC I 29-JUL-2030	29-Jul-15	29-Jul-15	224,920	14.9%	29-Jul-30	229,204
15.75 STANBIC I 5-DEC-2023	5-Dec-18	5-Dec-18	500,000	15.5%	5-Dec-23	530,354
15.50 ACCESS GB 18-MAR-2024	19-Jul-19	23-Jul-19	110,000	15.8%	5-Dec-23	115,785
10.50 FBNQ SPV I 5-FEB-2023	5-Feb-20	5-Feb-20	132,000	15.5%	18-Mar-24	138,384
13.00 LAPO MFB II 30-MAR-2025	5-Mar-20	5-Mar-20	300,000	10.5%	24-Jan-23	309,539
12.50 DANGCEM I 30-APR-2025	17-Apr-20	17-Apr-20	141,000	13.0%	30-Mar-25	138,210
12.00 NOVAMBL SPV I 23-JUL-2027	15-Jul-20	17-Jul-20	35,000	12.5%	17-Apr-25	30,979
NIGERIA EUROBOND 2049 9.248% (VIA UBA)	8-Sep-20	10-Sep-20	910,000	9.2%	17-Jul-27	330,311
12.50 DANGCEM I 30-APR-2032	26-Apr-22	27-Apr-22	500,000	13.0%	27-Apr-32	459,483
NIGERIA EUROBOND 2031 8.747% (VIA UBA)	6-Jun-22	8-Jun-22	131,000	8.7%	21-Jan-31	51,581

7 Trade receivables

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Insurance receivables (see note 7.1 below)	406,147	129,017	-	-
Other trade receivables	2,108,960	790,006	-	-
Impairment on trade receivables (see note 7.2 below)	(861,496)	(744,264)	-	-
	1,653,611	**174,759**	**-**	**-**

7.1 Insurance receivables

Brokers	353,626	124,084	-	-
Insurance companies	52,521	4,933	-	-
	406,147	**129,017**	**-**	**-**

7.2 Impairment on trade receivables

At 1 January	744,264	746,824	-	-
Charge/(reversal) for the period	117,232	(2,560)	-	-
	861,496	**744,264**	**-**	**-**

All trade receivables including insurance receivable are carried at values that are approximately their fair value at the statement of financial position date. The Group reviews individual receivable account to determine its collectivity. For insurance products, the Group issues policies only to clients who pay in advance or are backed by registered brokers‘ credit notes that are payable within thirty days. All uncollected amounts after due date are deemed impaired. There was no impairment charge for the year as no objective evidence for impairment exists for insurance receivables.

For trade receivables on revenue from contract with customers- property sales and maintenance, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

	Group Trade receivables dates past due Date past due				
In thousands of naira	**1-3months**	**4-6 months**	**7-12 months**	**Above 12 months**	***Total***
31 December 2022					
Expected credit loss rate	32%	92%	100%	100%	
Estimated total gross carrying amount at default	402,107	-	87,092	530,394	1,019,593
Expected credit loss	129,338	-	87,092	530,394	746,824
31 December 2021					
Expected credit loss rate	0%	0%	2%	100%	
Estimated total gross carrying amount at default	-	-	53,425	736,581	790,006
Expected credit loss	-	-	7,683	736,581	744,264

8 Reinsurance assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Prepaid reinsurance premium (see note 8.1 below)	5,765,322	4,914,142	-	-
Reinsurance share of claims (see note 8.2 below)	2,879,795	2,821,166	-	-
	8,645,117	7,735,308		
Due from reinsurance brokers (see note 8.3 below)	688,529	478,018	-	-
Minimum deposit on premium paid	60,617	38,835		
	9,394,263	8,252,161	-	-
Reinsurance share of prepaid premium and outstanding claims				
Non life insurance	8,168,953	7,350,889	-	-
Life insurance	476,164	384,419	-	-
	8,645,117	7,735,308	-	-

8.1 Prepaid reinsurance premium

At 1 January	4,914,142	4,272,491	-	-
Reinsurance ceded during the year	28,119,955	25,988,565	-	-
Charged during the year	(27,268,775)	(25,346,914)	-	-
At 31 December	5,765,322	4,914,142	-	-

8.2 Reinsurer's share of claims

At 1 January	2,821,166	2,488,622	-	-
Charged to profit or loss	58,629	332,544	-	-
At 31 December	2,879,795	2,821,166	-	-

8.3 Amount due from reinsurance brokers represent net claims and commission recoverable from reinsurance brokers. They are valued after an allowance for their recoverability, and the carrying amount is a reasonable approximation of fair value.

9 Inventories

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	6,084,508	4,270,744	-	-
Additions	3,132,535	1,638,802	-	-
Reclassification from Investment Properties	-	669,015	-	-
Disposal	(3,951,285)	(475,270)	-	-
Impairment	-	(18,783)	-	-
At 31 December	5,265,758	6,084,508	-	-

All Inventory above are carried at lower of cost or net realisable value at all the periods reported. The Group's inventory have not been pledged as security for borrowing.

Notes to the Consolidated and Separate Financial Statements

10 Deferred acquisition costs

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	784,693	662,830	-	-
Commission expense paid	6,150,762	5,545,920	-	-
Charged to profit or loss	(5,947,889)	(5,424,057)	-	-
At 31 December	987,566	784,693	-	-

11 Other receivables and prepayments

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Administration fee receivable	700,365	10,922	-	-
Management fee receivable	-	387,402	-	-
Deposit for shares	1,733,213	933,650	810,213	933,650
Deposit for assets	6,219	15,815	6,219	15,815
Due from related parties	-	-	130,005	163,833
Balances due from joint ventures	1,191,795	2,092,118	-	-
Mobilization payment to contractors*	87,588	26,902	-	-
Other debit balances**	162,610	1,259,697	34,680	33,032
	3,881,790	4,726,506	981,117	1,146,330
WHT receivables	1,461,088	905,829	1,255,095	736,648
Prepayment	617,530	505,037	114,348	38,116
	2,078,618	1,410,866	1,369,443	774,764
	5,960,408	6,137,372	2,350,560	1,921,094
Less: Allowance for ompairment loss on other receivables other debit balances	(113,744)	(114,799)	(16,155)	(16,155)
	5,846,664	**6,022,573**	**2,334,405**	**1,904,939**

Deposit for shares represents strategic investment commitment in companies currently undergoing incorporation/registration and amounts placed with stockbrokers for the purchase of securities.
*****Mobilization payment to contractors represents payments made to contractors on projects, which have not been completed.

**Other debit balances relates to payments in respect of projects in progress. Also included in Other debit balances are expected reimbursment from pension custodians in respect of disbursments made on annuity contracts.

11.1 Gross carrying amount and impairment loss on other receivables

Group

	Stage 1		Stage 2		Stage3		Total	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	6,023,548	224,943	-	-	113,824	(110,144)	6,137,372	114,799
New assets purchased	5,677,890	532	-	-	-	-	5,677,890	532
Assets derecognised or matured (excluding write-offs)	(5,854,854)	(1,587)	-	-			(5,854,854)	(1,587)
Changes to models and inputs used for ECL			-	-			-	-
At 31 December 2022	5,846,584	223,888	-	-	113,824	(110,144)	5,960,408	113,744
As at 1 January 2021	5,911,359	30,516	-	-	111,007	(107,327)	6,022,366	(76,811)
New assets purchased	742,877	(883)	-	-	-	-	742,877	(883)
Assets derecognised or matured (excluding write-offs)	(1,252,125)	190,282	-	-	(7,783)	7,783	(1,259,908)	198,065
Changes to models and inputs used for ECL	621,437	5,028	-	-	10,600	(10,600)	632,037	(5,572)
At 31 December 2021	6,023,548	224,943	-	-	113,824	(110,144)	6,137,372	114,799

Company

	Stage 1		Stage 2		Stage3		Total	
In thousands of naira	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**	**Gross**	**ECL**
As at 1 January 2022	1,910,404	5,465	-	-	10,690	10,690	1,921,094	16,155
New assets purchased	6,156,689	-	-	-	-	-	6,156,689	-
Assets derecognised or matured (excluding write-offs)	(5,727,223)	-	-	-	-	-	(5,727,223)	-
At 31 December 2022	2,339,870	5,465	-	-	10,690	10,690	2,350,560	16,155
As at 1 January 2021	1,000,896	10,089	-	-	10,690	10,690	1,011,586	20,779
Changes to models and inputs used for ECL calculations	909,508	(4,624)	-	-	-	-	909,508	(4,624)
Foreign exchange adjustments	-	-	-	-	-	-	-	-
At 31 December 2021	1,910,404	5,465	-	-	10,690	10,690	1,921,094	16,155

Notes to the Consolidated and Separate Financial Statements

12 Investment in subsidiaries

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Custodian and Allied Insurance Limited	-	-	3,584,607	3,584,607
Custodian Life Assurance Limited	-	-	3,184,717	3,184,717
Crusader Sterling Pensions Limited	-	-	1,139,460	1,139,460
Custodian Trustees Limited	-	-	400,885	400,885
Crusader Hotels and Apartments Limited*	-	-	1,000	1,000
Custodian Asset Management Limited*	-	-	200,000	200,000
UPDC Plc	-	-	6,862,343	6,862,343
	-	**-**	**15,373,012**	**15,373,012**

12.1 Custodian Investment Plc is the ultimate holding company with significant equity interests in the subsidiary companies as follows:

Subsidiary	Equity interest	Segment	Place of incorporation/Activity
Custodian and Allied Insurance Limited	100%	Property/Casualty Insurance	Nigeria
Custodian Life Assurance Limited	100%	Life Insurance	Nigeria
Crusader Sterling Pension Limited	76.55%	Pension Asset Management	Nigeria
Custodian Trustees Limited	100%	Trusteeship/Company Secretary Services	Nigeria
Crusader Hotels and Apartments Limited*	100%	Hospitality	Nigeria
Custodian Asset Management Limited*	100%	Asset Management	Nigeria
UPDC Plc	51%	Property development and management	Nigeria

* These companies are yet to commence operations
The Company along with its subsidiaries make up the Custodian Group.

13 Equity accounted investee

In thousands of naira	Principal activities	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interstate Securities Limited (see note 13.1 below)	Stockbroking and Issuing House	622,756	683,684	525,364	525,364
UPDC REIT (see note 13.2 below)	Real Estate investments	2,667,501	4,117,991	2,584,623	-
		3,290,257	**4,801,675**	**3,109,987**	**525,364**

13.1 Equity accounted investee: Interstate Securities Ltd

On 30 September 2016 the Group invested in the equity of Interstate Securities Limited, a stock broking firm and a dealing member of Nigerian Exchange Ltd in line with its strategy to further diversify its businesses. The investment is made up of 336,249,499 ordinary shares representing 46.86% of the company's issued ordinary shares; and 82,500,000 5% Convertible Preference shares. The net assets of the company as at 31 December 2022 was N1.33billion (2021: N1.244billion)

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At January 1	683,684	554,702	525,364	525,364
Addition during the year	-	-	-	-
Share of (loss)/profit	(53,872)	112,851	-	-
Share of OCI	(7,056)	16,131	-	-
Dividend received	-	-	-	-
At 31 December	622,756	683,684	525,364	525,364

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

In thousands of naira	31-Dec-22	31-Dec-21
Non-Current assets	591,566	341,224
Current assets	974,829	1,152,861
Non-Current liabilities	191,812	168,074
Current liabilities	46,139	81,658
Equity	1,328,443	1,244,353
Proportion of group ownership of equity	622,508	583,104
Net Revenue	154,187	161,217
(Loss)/profit for the period	(114,496)	240,826
Other comprehensive income	(15,057)	34,400
Total comprehensive income	(129,553)	275,226
Proportion of group ownership total comprehensive income	(60,709)	128,971

Notes to the Consolidated and Separate Financial Statements

13.2 Equity accounted investee: UPDC REIT

During the year, the company acquired 772,905,928 units of UPDCREIT pursuant of its strategy to invest in long term asset backed unit trust funds. This investment represents 28.97% of total units in issue. The net assets of the company as at 31 December 2022 was N26.04billion (2021: N24.93 billion)

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At January 1	4,117,991	4,179,232	-	-
Addition during the year	49,516	-	2,584,623	-
Dimunition in value of investment	(1,515,577)	-	-	-
Share of profit	291,682	224,146	-	-
Share of OCI	-	-	-	-
Dividend received	(276,111)	(285,387)		-
At 31 December	2,667,501	4,117,991	2,584,623	-

Summary financial for the equity accounted investee not adjusted for the percentage ownership by the group is as follows

In thousands of naira	31-Dec-22	31-Dec-21
Non-Current assets	23,026,444	21,608,587
Current assets	3,824,749	4,212,655
Current liabilities	809,449	892,212
Equity	25,666,851	24,929,030
Proportion of group ownership of equity	7,435,687	7,054,915

	31-Dec-22	31-Dec-21
Revenue	2,162,786	1,687,208
Profit/(loss) for the period	1,596,070	(4,480,408)
Other comprehensive income	-	-
Total comprehensive income/(loss)	1,596,070	(4,480,408)
Proportion of group ownership total comprehensive income/(loss)	462,381	(1,267,955)

14 Investments in joint ventures

In thousands of naira	Project	% Holding 31-Dec-22	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
First Restoration Dev. Co. Limited	Olive court	51%	125,647	130,393	-	-
At 1 January			130,393	130,393	-	-
Share of loss from joint venture **			(4,746)	-	-	-
			125,647	130,393		

Nature of investment in joint venture

Name	Project	Country of incorporation	Country of Incorporation	Nature of relationship	Nature of relationship	% interest held
First Festival Mall limited	Festival Mall	Nigeria	Nigeria	Joint venture	Joint venture	45%
First Restoration Dev. Co. Limited	Olive court	Nigeria	Nigeria	Joint venture	Joint venture	51%
Transit Village Dev. Co. Ltd	Transit Village	Nigeria	Nigeria	Joint venture	Joint venture	40%

The Group through UPDC Plc has a joint venture arrangement with First Restoration Development Company Ltd to develop and sell Olive Court Estate in Ibadan, Oyo State. The joint venture is supported by Oyo State Government. All joint ventures are primarily set up for projects. All other investment in joint ventures have been written down to NIL because of the losses recorded over the years.

* * Share of loss of First restoration recognised for the year using equity method of accounting for investment in joint venture.

15 Investment properties

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	11,760,655	11,063,550	7,081,066	4,636,980
Additions	25,952	24,147	-	-
Fair value gains/(losses) on investment properties	114,878	2,459,531	350	2,444,086
Reclassifications (see note 9)	-	(669,015)	-	-
Disposals during the period	-	(1,117,558)	-	-
	11,901,485	**11,760,655**	**7,081,416**	**7,081,066**

Notes to the Consolidated and Separate Financial Statements

i. Investment properties are stated at fair value, which has been determined based on valuations performed by Barin Epega & Company. Barin Epega & Company are industry specialists in valuing these types of investment properties. They are registered with the Financial Reporting Council of Nigeria (FRC\2020\00000013769). The fair value was determined based on the capitalization of net rental income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. This is also supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with the standards issued by the International Valuation Standards Committee.
Valuations are performed on an annual basis and the fair value gains and losses are reported in income statement. There has been no change to the valuation technique during the year. The valuation reports were signed on behalf of the firm by its principal partner, Sir. Obarinsola Epega KJW (FRC\2012\NIESV\0000000597).

ii There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

The rental income arising during the year amounted to ₦188m (2021: ₦197m) which is included in other operating income. Direct operating expenses arising in respect of such properties during the year are included within management expenses.

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Rental income derived from investment properties	188,711	197,315	12,536	13,326
Direct operating expenses in generating rental income	(5,473)	(5,722)	(897)	(953)
Profit from investment properties carried at fair value	183,238	191,593	11,639	12,373

15.1 Investment properties carried at fair value

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows

Group

In thousands of naira	Level 1	Level 2	Level 3	Total
31 December 2022				
Investment properties	-	-	11,901,485	11,901,485
31 December 2021				
Investment properties	-	-	11,760,655	11,760,655

Company

In thousands of naira	Level 1	Level 2	Level 3	Total
31 December 2022				
Investment properties	-	-	7,081,416	7,081,416
31 December 2021				
Investment properties	-	-	7,081,066	7,081,066

Notes to the Consolidated and Separate Financial Statements

Location of properties	Valuation technique	Significant unobservable inputs
5 Bankole Cardoso Avenue, formerly Barrow Road, Old Ikoyi, Lagos	Depreciated replacement cost approach	- Capacity value — ₦1,401.532,000 - Unit land price ₦350,000 - N450,000/m2 - Deporeciation - 26%
39 Alfred Rewane road, formerly Kingsway Road, Ikoyi, Lagos	Comparison Approach	- Unit land price — ₦600,000 - ₦750,000/m2 - Capital value ₦4,909,534,,000
324 Ikorodu Road, Lagos	Depreciated replacement cost approach	- Unit cost of construction ₦40,000 - ₦75,000/m2 - Unit land price ₦120,000 - ₦150,000/m2 - Depreciation - 25% - Capital value ₦590,000,000
Flat 17A BlockA Admiralty Towers. No8 Gerrad Road, Old Ikoyi, Lagos	Investment Approach	- Unit rent - ₦10,000,000 pa annum - Estimated gross rent ₦10,000,000 per annum - Rent growth less than 5% per annum - Long-term vacancy rate 0.5% - Discount rate 10% - Capital value ₦180,000,000
Plot 5, Block E, Central Business District (CBD) Alausa, Ikeja, Lagos	Comparison Approach	- Unit land price — ₦60,000 - ₦85,000/m2 - Capital value ₦360,480,000
Ogombo Along Ajah/Epe Dual Carriage Expressway, Lekki, Lagos	Comparison Approach	- Unit land price — ₦5,000 - ₦8,000/m2 - Capital value ₦28,000,000
10, Aje Road Sabo Yaba, Lagos	Comparison Approach	- Unit land price — ₦100,000 - ₦150,000/m2 - Capital value ₦71,925,000
23/25 Martins Street, Lagos	Investment Approach	- Estimated unit rental per annum ₦35,044,800 - ₦ 63,080,640 - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%

		- Long-term vacancy rate less 10% - Discount rate 10%
3, Aja Nwachukwu Close, Off Bourdillon Road, Ikoyi, Lagos	Income approach (DCF Method)	- Estimated unit rental per annum ₦18,000,000 – ₦21,040,000 - Rent growth p.a 5% - Long-term vacancy rate less 10% - Discount rate 10%
156 Awolowo Road, Ikoyi, Lagos	Income approach (DCF Method)	- Estimated rental per annum ₦22,500,000 - Rent growth p.a 5% - Long-term vacancy rate 2% - Discount rate 10%
Plot 3243, Block 71, Tayo Adewale Street, Amuwo Odofin, Lagos	Market comparison approach.	- Estimated price per square metre ₦35,000 - ₦45,000
Plot 676 Cadastral Zone B07 Katampe, Abuja	Market comparison approach.	- Estimated price per square meter ₦8,000 - ₦12,000
5 Custodian Street (formerly Chapel Street), Sabo Yaba, Lagos	Depreciated replacement cost approach	-Construction cost per square meter : ₦110,000 - ₦175,000, - Land cost/M2: ₦100,000- ₦145,000/m2 Depreciation rate of building), 45% (Fence)
88, Adetokunbo Ademola Street, Victoria Island, Lagos	Depreciated replacement cost approach.	-Construction cost/M2 : N180,000 for Main Building of 300.3m2, N150,000 for Domestic Staff Quarters of 47.4m2 and N100,000 for Gate house of 8.48m2 Depreciation rate of 70%

Notes to the Consolidated and Separate Financial Statements

16 Assets of disposal group classified as held for sale

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Assets at Festival Hotel, Conference Centre & Spa	-	8,086,683	-	-
	-	**8,086,683**	**-**	**-**

The asset held for sale relates to the Group's investment in Festival Hotel, Conference Centre & Spa which was accounted for as assets of disposal group classified as held for sale following the commitment to its sale by the Group's management. The group has reclassified Festival Hotel, Conference Centre & Spa to investment in subsidiaries because the asset no longer meets the criteria for continued classification as assets of disposal group classified as held for sale (IFRS 5).

17 Intangible assets

i **Group**

In thousands of naira	**Software**	**Total**
Cost:		
At 1 January 2021	1,270,951	1,270,951
Additions	70,722	70,722
At 31 December 2021	1,341,673	1,341,673
At 1 January 2022	1,341,673	1,341,673
Reclassification/write off	69,493	69,493
Additions	104,670	104,670
At 31 December 2022	1,515,836	1,515,836
Amortization and impairment losses		
At 1 January 2021	1,111,843	1,111,843
Amortization for the period	57,344	57,344
At 31 December 2021	1,169,187	1,169,187
At 1 January 2022	1,169,187	1,169,187
Reclassification/write off	42,039	42,039
Amortization for the period	64,898	64,898
At 31 December 2022	1,276,124	1,276,124
Carrying Amount		
At 1 January 2022	172,486	172,486
At 31 December 2022	**239,712**	**239,712**

ii **Company**

In thousands of naira	**Software**	**Total**
Cost:		
At 1 January 2022	25,132	25,132
Additions	-	-
At 31 December 2022	25,132	25,132
Amortization and impairment losses		
At 1 January 2022	-	-
Amortization for the period	8,377	8,377
At 31 December 2022	8,377	8,377
Carrying Amount		
At 1 January 2022	25,132	25,132
At 31 December 2022	**16,755**	**16,755**

Notes to the Consolidated and Separate Financial Statements

18 Property, plant and equipment

i **Group**

In thousands of naira	**Freehold property**	**Office equipment**	**Computer equipment**	**Furniture and fittings**	**Motor Vehicles**	**Total**
Cost/Valuation						
At 1 January 2021	3,941,845	461,544	601,625	428,198	1,370,961	6,804,173
Additions	3,455	28,625	66,844	55,045	543,838	697,807
Reclassification/Revaluation*	(217,615)	15,772	710	195,512	-	(5,621)
Disposals	-	(11,416)	(1,506)	(368)	(334,660)	(347,950)
At 31 December 2021	3,727,685	494,525	667,673	678,387	1,580,139	7,148,409
At 1 January 2022	3,727,685	494,525	667,673	678,387	1,580,139	7,148,409
Additions	10,114	177,946	171,721	28,053	776,388	1,164,222
Reclassification/Revaluation*	7,966,798	77,665	5,521	(119,314)	6,623	7,937,293
Disposals	-	(811)	-	-	(186,489)	(187,300)
At 31 December 2022	**11,704,597**	**749,325**	**844,915**	**587,126**	**2,176,661**	**16,062,624**
Accumulated depreciation						
At 1 January 2021	242,606	391,896	484,957	359,262	879,457	2,358,178
Charge for the period	8,391	36,390	61,531	33,103	291,738	431,153
Reclassification/Revaluation	-	(5,621)	-	-	-	(5,621)
Disposals	-	(11,416)	(800)	-	(319,090)	(331,306)
At 31 December 2021	250,997	411,249	545,687	392,365	852,105	2,452,404
At 1 January 2022	250,997	411,249	545,687	392,366	852,105	2,452,404
Charge for the period	102,255	42,315	54,574	31,448	351,147	581,739
Elimination on Revaluation	(77,359)		-	-	-	(77,359)
Disposals	-	(811)	-	-	(172,579)	(173,390)
At 31 December 2022	**275,893**	**452,753**	**600,261**	**423,814**	**1,030,673**	**2,783,394**
Carrying Amount						
At 1 January 2022	3,476,688	83,276	121,986	286,021	728,034	4,696,005
At 31 December 2022	**11,428,704**	**296,572**	**244,654**	**163,312**	**1,145,988**	**13,279,230**

*The Reclassification/Revaluations relate to the reclassification of assets of Festival Hotel, Conference Centre & Spa which were previously accounted for as assets of disposal group classified as held for sale but now accounted for as a subsidiary. See note 16.

ii **Company**

In thousands of naira	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
Cost/Valuation					
At 1 January 2021	9757	11338	41,526	127,500	190,121
Additions	6,358	4,775	172	71,125	82,430
At 31 December 2021	16,115	16,113	41,698	198,625	272,551
At 1 January 2022	16,115	16,113	41,698	198,625	272,551
Additions	11,844	5,239	3,509	368,000	388,592
Disposals	-	-	-	(37,500)	(37,500)
At 31 December 2022	**27,959**	**21,352**	**45,207**	**529,125**	**623,643**
Accumulated depreciation					
At 1 January 2021	8,570	6,331	28,402	90,041	133,344
Charge for the period	2,010	3,217	6,412	33,021	44,659
At 31 December 2021	10,580	9,548	34,814	123,062	178,003
At 1 January 2022	10,580	9,548	34,813	123,062	178,003
Charge for the period	3,468	3,438	6,796	68,012	81,714
Disposals	-	-	-	(37,499)	(37,499)
At 31 December 2022	**14,048**	**12,986**	**41,609**	**153,575**	**222,218**
Carrying Amount					
At 1 January 2022	5,535	6,565	6,885	75,563	94,548
At 31 December 2022	**13,911**	**8,366**	**3,598**	**375,550**	**401,425**

19 Statutory deposits

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Statutory deposit	2,672,415	2,299,144	-	-
	2,672,415	**2,299,144**	**-**	**-**

In line with Section 10 (3) of the Insurance Act of Nigeria, a deposit of minimum of 10% of the regulatory share capital required for non-life insurance business (N3bn) and life insurance business (N2bn) is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance. Also included in statutory deposit is contingency fund relating to CrusaderSterling Pension Ltd. The fund is set aside to meet any claim for which the company may be liable and the corresponding cash is deposited with a Pension Fund Custodian licensed by the Pension Commission of Nigeria.

20 Right-of-use-assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at 1 January	69,862	80,275	-	-
Addition for the period	16,600	39,948		
Depreciation expense on ROU asset for the period	(58,065)	(50,361)		
Balance at 31 December	**28,397**	**69,862**	**-**	**-**

21 Insurance contract liabilities

Outstanding claims-non life	3,008,577	3,792,093	-	-
Outstanding claims-life	2,407,144	1,932,738	-	-
IBNR	4,793,504	4,030,120	-	-
Individual life fund and annuity fund liabilities	79,840,527	66,867,181	-	-
Unearned premium	10,030,068	8,414,709	-	-
	100,079,820	**85,036,841**	**-**	**-**
Non life (see note 21.1 below)	14,978,872	13,160,984	-	-
Life (see note 21.2 below)	85,100,948	71,875,857	-	-
	100,079,820	85,036,841	-	-

Reconciliation of insurance contract liabilities

Notes to the Consolidated and Separate Financial Statements

21.1 Non-life insurance

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	13,160,984	11,814,478	-	-
Change in unearned premium	1,453,061	682,343	-	-
Current year claims provision	6,448,295	6,309,938	-	-
Claims paid during the period	(6,083,467)	(5,645,775)	-	-
Balance at 31 December	14,978,873	13,160,984	-	-
Reinsurance				
At 1 January	7,350,889	6,663,705	-	-
Change in unearned premium	851,180	(682,342)	-	-
Current year claims provision	1,917,699	6,107,575	-	-
Claims paid during the period	(1,950,815)	(4,738,049)	-	-
Balance at 31 December	8,168,953	7,350,889	-	-
Net non-life insurance	6,809,920	5,810,095	-	-

21.2 Life insurance

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	71,875,857	77,727,665	-	-
Premium received	37,769,830	32,464,843	-	-
Liabilities paid for death benefit claims	(18,827,261)	(6,516,726)	-	-
Benefits and claims experience variations	(5,717,479)	(31,799,925)	-	-
Balance at 31 December	85,100,947	71,875,857	-	-
Reinsurance				
At 1 January	(425,811)	(642,519)	-	-
Premium received	(1,769,635)	(2,083,304)	-	-
Liabilities paid for deaths, benefits, claims	337,073	1,611,143	-	-
Benefits and claims experience variations	1,228,338	688,869	-	-
Balance at 31 December	(630,035)	(425,811)	-	-
Net life insurance	84,470,912	71,450,046	-	-

22 Investment contract liabilities

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Individual	5,720,194	5,670,285	-	-
Welfare	3,350,018	2,945,910	-	-
	9,070,212	**8,616,195**	**-**	**-**
Movement in investment contract liabilities				
At 1 January	8,616,195	6,072,622	-	-
Deposit	609,022	2,837,119	-	-
Withdrawal	(387,544)	(503,435)	-	-
Guaranteed interest	232,548	209,889	-	-
Balance at 31 December	9,070,221	8,616,195	-	-

23 Borrowings

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Shareholders' loan to UPDC	2,179,173	2,516,621	-	-
Current				
Shareholders' loan to UPDC	2,179,173	2,516,621	-	-
Total borrowings	2,179,173	2,516,621	**-**	**-**
Movement in total borrowings during the year				
As at 1 January	2,516,621	5,422,500	-	-
Proceeds from borrowing	-	2,516,526	-	-
Interest accrued	198,404	533,534	-	-
Repayment of borrowings	(337,448)	(5,422,500)	-	-
Interest paid	(198,404)	(533,439)	-	-
As at 31 December	2,179,173	2,516,621	-	-

Shareholders loan was obtained from Custodian Investment Plc and UACN Plc in April 2021 to pay down the 5-year bond and UACN Bridge Finance. The loan is a short term loan at 9%.

Notes to the Consolidated and Separate Financial Statements

24 Trade payables

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Due to reinsurance and Co-insurance Companies	574,010	529,316	-	-
Due to Brokers and Agents	2,871,445	2,174,128	-	-
Premium received in advance	7,776,337	5,399,610	-	-
Other trade payables*	912,712	515,898	-	-
	12,134,504	**8,618,952**	**-**	**-**

Trade payables comprise amounts outstanding for reinsurance companies, brokers, deferred premium, trade purchases and ongoing costs. All amounts are payable within a year. The carrying amount approximates fair value.

*Other trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

25 Liabilities of disposal group classified as held for sale

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Trade and other payables	-	1,187,895	-	-

The liabilities relate to the assets held for disposal by UPDC Plc. See Note 16.

26 Other payables

In thousands of naira	Group 31-Dec-22	Group Restated '31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Staff pension	1,421	1,398	1,421	1,398
Statutory payables	1,094,414	927,735	8,707	6,545
Information Technology Development levy	608,764	518,713	42,666	30,092
Unclaimed Dividend	1,109,355	1,031,629	856,944	779,218
Unearned income (see note 26(i) below)	1,001,390	597,013	5,340	3,324
	3,815,344	3,076,488	915,078	820,577
Non Trade payable (see note 27(ii) below)	903,238	772,718	-	-
Accruals (see note 26(iii) below)	2,200,599	1,532,538	257,159	150,669
Due to related party	-	-	201,000	201,000
Contract liabilities	2,559,033	2,168,341		
Trade & Commission payable (see note 26(iv) below) Restated (see note 50)	544,173	199,972	-	-
Tenants' Security Deposit	5,643	21,678	5,643	21,678
Sundry creditors (see note 26(v) below)	1,609,840	2,310,055	144,963	64,391
	7,822,526	7,005,302	608,765	437,738
	11,637,870	10,081,790	1,523,843	1,258,315

i Unearned income represent deferred income. This is made up of rental income received in advance on investment properties leased by the Company to third parties, and commissions received in advance. These are released to income in-line with the terms of the individual contract that it relates to.

ii Non trade payables consist of payables to regulators and various suppliers.

iii Accruals relate to amounts provided for audit / consulting fees and subscription/dues to various regulatory and professional bodies.

iv Trade and commission payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

v Sundry creditors relate to amount due to suppliers and service providers for services rendered

27 Taxation

Per profit or loss account:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Income tax based on profit for the profit	1,910,646	1,107,531	134,072	147,951
Education tax for the period	240,185	98,672	17,746	14,044
Dividend tax	499,853	411,983	499,854	411,983
Underprovision in prior year	14,705	10,000	-	-
Capital gains tax	-	72,498	-	-
	2,665,389	1,700,684	651,672	573,978
Deferred taxation	(50,926)	450,618	12,075	256,690
Tax charge to profit and loss	2,614,463	2,151,302	663,747	830,668

Current income tax

Per Balance Sheet:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At 1 January	1,941,504	1,694,459	657,323	563,773
Opening balance adjustment	(6,820)			
Current Income tax expense	2,150,831	1,288,701	151,818	161,995
Withholding tax (expense)/credit offset	499,853	(30,592)	499,854	(30,592)
Write back of prior period over provision	14,705	(24,061)	-	(34,061)
Payments during the period	(1,253,920)	(987,003)	(14,006)	(3,792)
At the end of the period	3,346,153	1,941,504	1,294,989	657,323

28 Deferred tax liabilities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Capital gains to be reinvested	116,291	-	-	-
Unutilized tax credit	(1,151,609)	(1,151,609)	-	-
Fair value gains on investment properties	2,090,168	2,095,247	601,020	603,503
Accelerated depreciation for tax purposes	538,994	482,932	67,338	15,649
Unrealised foreign exchange gains	744,580	825,056	155	-
Revaluation Surplus	143,463	98,132	-	-
Impairment of Financial Assets	(415,012)	(215,381)	(32,350)	4,936
	2,066,875	2,134,377	636,163	624,088
Deferred tax assets	-	-	-	-
Deferred tax liabilities	2,066,875	2,117,528	636,163	624,088
Net deferred tax liabilities	**2,066,875**	**2,134,377**	**636,163**	**624,088**

29 Issued share capital and reserves

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Issued share capital:				
5,881,866,000 Ordinary shares of 50k each	2,940,933	2,940,933	2,940,933	2,940,933

Movement during the year is as shown below:

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
At 1 January	2,940,933	2,940,933	2,940,933	2,940,933
At 31 December	2,940,933	2,940,933	2,940,933	2,940,933

30 Share premium

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
At 1 January	6,412,357	6,412,357	6,412,357	6,412,357
At 31 December	6,412,357	6,412,357	6,412,357	6,412,357

31 Reserves

The nature and purpose of the reserves in equity are as follows:

Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004.

Asset revaluation reserve

This reserve contains surplus on revaluation of property, plant and equipment. A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

Non Controlling Interest

Custodian Investment Plc has a controlling interest of 76.55% (2021: 76.55%) in CrusaderSterling Pensions Limited (CSP), which gives rise to a non-controlling interest of 23.45% in the entity. Also, the group has 51% controlling interest in UPDC Plc giving rise to a non-controlling interest of 49%. The balance represents the amount attributable to the non-controlling shareholders of CSP and UPDC.

Notes to the Consolidated and Separate Financial Statements

32 Other investment and operating income

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross Premium Written	75,752,811	66,902,365	-	-
Gross Premium Income (see note 32(i) below)	74,137,451	66,228,179	-	-
Dividend income	919,335	635,842	5,093,706	4,274,082
Fees and Commission income	6,154,399	5,537,174	-	-
Sales	5,896,957	825,404	-	-
Other Operating Income (see note 32(ii) below)	838,603	914,316	1,405,559	1,462,779
	87,946,745	74,140,915	6,499,265	5,736,861

i **Gross premium income**

Non life insurance gross premium income	36,529,918	33,755,180	-	-
Life insurance gross premium income	37,607,533	32,472,999	-	-
	74,137,451	66,228,179	-	-

ii **Other operating income**

Rental income	148,991	158,750	12,536	13,326
Foreign exchange gain	205,854	315,334	-	-
Sundry income	483,758	440,232	1,393,023	1,449,453
	838,603	914,316	1,405,559	1,462,779

The group operates a structured transfer pricing program where certain common expenses such as utilities, personnel salaries, travel etc. can be incurred on behalf of its subsidiaries and charged back periodically to the subsidiaries in the manner specified in the approved Transfer Pricing Instrument. These refunds/reimbursements, including the approved mark-up of 10% are included in the sundry income for the company and eliminated on consolidation.

33 Interest income

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest income on investments measured at ammortised cost	13,828,880	10,911,999	358,488	65,757
Interest income on call and deposit accounts	1,299,805	687,420	145,264	214,430
	15,128,685	11,599,419	503,752	280,187

34 Operating Expenses

Cost of sales	4,289,233	685,126	-	-
Reinsurance Expenses	27,268,775	25,346,914	-	-
Underwriting Expenses (see note 34(i) below)	6,905,352	6,342,712	-	-
Claims related expenses (see note 34(ii) below)	22,654,936	20,178,646	-	-
	61,118,296	52,553,398	-	-
Change in provisions (see note 34(iii) below)	13,386,806	(4,827,955)	-	-
	74,505,102	47,725,443	-	-

i **Underwriting Expenses**

Acquisition costs (see note 10)	5,947,889	5,424,057	-	-
Maintenance costs	957,463	918,655	-	-
	6,905,352	6,342,712	-	-

ii ***Claims related expenses***

Gross claims expenses	25,001,452	22,323,691	-	-
Claims ceded to reinsurers	(2,346,516)	(2,145,045)	-	-
	22,654,936	20,178,646	-	-

iii **Change in provisions**

Change in provision for outstanding claims and life fund estimate	13,386,806	(4,827,955)	-	-

The insurance claim comprises of claims expenses paid including loss adjuster fees and the movement in the insurance fund liabilities. The insurance fund liability is adjusted to reflect the movement in the estimated claims liabilities as determined by the actuary. The effect of the adjustment is reflected in the profit or loss account.

Notes to the consolidated and separate financial statements

35 Net fair value (losses)/gains

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Changes in Fair Value of financial assets	(6,235,107)	(22,544,027)	(99,538)	120,749
Fair value gains on investment property	114,878	2,459,531	350	2,444,086
Net unrealised gain on foreign exchange	2,433,855	2,457,490	477	169,621
	(3,686,374)	(17,627,006)	(98,711)	2,734,456

36 Net Realized Gains

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit on disposal of property and equipment	39,461	14,015	1,200	-
Net realised gain/(loss) on foreign exchange	30,042	(212,046)	-	490
(Loss)/gain on disposal of Investment property	(41,081)	284,734	-	-
Realised gain/(loss) on financial assets	1,474,340	2,677,413	27,315	-
	1,502,762	2,764,116	28,515	490

37 Management expenses

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Staff cost (see note 37(i) below)	3,886,675	3,617,655	797,610	735,653
Auditors' remuneration	90,261	79,741	12,000	12,000
Amortisation of intangible assets	63,241	86,871	8,377	-
Depreciation of property, plant and equipment	732,524	509,563	81,712	44,660
Depreciation of right of use asset	58,065	50,361	-	-
Occupancy expenses	230,727	175,189	43,008	29,397
Directors fees and expenses	212,537	155,448	69,809	73,086
Printing, stationery & office supplies	40,789	34,801	26,876	24,929
Marketing and administration expenses	3,708,139	3,298,214	157,971	136,241
AGM, dividend processing & related costs	40,844	26,471	36,000	20,611
Pension protection fund charge	121,993	105,538	-	-
Fees, levy & assessment	1,669,842	1,642,705	86,476	228,002
Other expenses	11,515	82,132	115	226
	10,867,152	**9,864,689**	**1,319,954**	**1,304,805**

i Staff cost

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Salaries	2,238,953	2,398,836	285,335	235,793
Defined contribution pension cost	149,259	162,598	16,310	12,384
Other staff allowance	1,498,463	1,056,221	495,965	487,476
	3,886,675	3,617,655	797,610	735,653

38 Impairment allowance

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Charge/(write back) on cash and cash equivalents (ECL)	43,060	(49,252)	21,352	(27,720)
Charge/(write back) on financial assets at amortised costs (ECL)	509,684	(8,570)	(32,227)	71,106
Charge on equity accounted investee	1,515,577	-	-	-
Charge on investment in subsidiary				
Charge on other receivables	(87,640)	821,184	-	(4,625)
Write back on investment in subsidiaries	(116,522)	-	-	-
	1,864,159	763,362	(10,875)	38,761

39 Finance costs

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Finance income	(86,367)	(45,654)	-	-
Finance cost	198,404	555,852	-	-
	112,037	510,198	-	-

Finance income and finance cost were calculated using the effective interest rate.

40 Net gain/(loss) on fair value through OCI assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gain/(loss) during the period	42,706	(107,103)	-	-

41 Disposal group held for sale and discontinued operations

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Loss from discontinued operations	-	(116,286)	-	-
	-	(116,286)	-	-

Loss relates to the assets held for disposal by UPDC Plc. See Note 16.

Notes to the consolidated and separate financial statements

42 Earnings per share

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit for the period from continuing activities	11,161,970	10,170,931	4,959,995	6,577,760
Less: Non-controlling interests	488,583	(605,114)	-	-
Net profit from continuing activities attributable to ordinary shareholder	10,673,387	10,776,045	4,959,995	6,577,760
Profit for the period from continuing and discontinued activities	11,161,970	10,054,645	4,959,995	6,577,760
Less: Non-controlling interests	488,583	(605,114)	-	-
Net profit from continuing and discontinued activities attributable to ordinary shareholder	10,673,387	10,659,759	4,959,995	6,577,760
Number of ordinary share in issue as at year end				
Share capital	5,881,866	5,881,866	5,881,866	5,881,866
Basic/diluted earnings per ordinary share from continuing activities (kobo)	**181**	**183**	**84**	**112**
Basic/diluted earnings per ordinary share from continuing and discontinued activities (kobo)	**181**	**181**	**84**	**112**

Basic earnings per share (EPS) amount is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the number of ordinary shares outstanding at the reporting date.

Diluted EPS is calculated by adjusting the profit due to continuing operations attributable to ordinary shareholders and the weighted average number of shares outstanding for the effect of dilutive potential ordinary shares.

43 Emolument of directors and key management

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

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Fees	82,867	69,936	45,087	46,240
Executive compensation	412,691	723,523	95,731	245,350
Other emoluments	221,093	194,520	19,400	26,847
Total	716,651	987,979	160,218	318,437
Fees and other emoluments (excluding pension contributions) disclosed above include amounts paid to:				
Chairman	19,090	15,680	19,090	15,680
Highest paid Director	19,090	15,680	19,090	15,680

44 Employee remuneration

i The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contribtions and certain benefits), were:

₦		₦	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
60,000	-	999,999	91	55	4	2
1,000,000	-	1,999,999	48	158	-	6
2,000,000	-	2,999,999	112	99	1	4
3,000,000	-	3,999,999	58	67	-	7
4,000,000	-	4,999,999	55	11	1	-
5,000,000	-	5,999,999	27	28	2	1
6,000,000	-	and above	121	71	13	7
			512	489	21	27

ii Average number of persons employed during the year were:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Executive directors	10	9	3	1
Management staff	31	79	3	4
Non-management staff	325	401	15	22
	366	489	21	27

iii Staff cost excluding the Directors relating to the above

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Salaries and wages	2,394,651	3,069,001	285,883	361,635
Pension costs	168,566	67,072	15,762	8,668
	2,563,217	3,136,073	301,645	370,303

45 Fines and penalties

Charged during the year	56,291	1,100	-	-

The Company did not pay any fines or penalty during the year (2021: Nil) but other members of group were fined for various infractions.

46 Contingent liabilities

No provisions in respect of legal claims and fees have been included in the Group consolidated and separate financial statements. However, one of the Group's subsidiaries has an ongoing case(2021: Nil). In 2006, the subsidiary acquired a parcel of land in Ikoyi from Wema Bank. The property was originally owned by the Federal Ministry of Works and Housing (FMWH). Subsequently, Parkview Estate was developed on the property at a carrying value of N1.5billion. However, County & City Bricks Limited (CCBL) had taken the Federal Government and UPDC Plc to court claiming that the land was leased to it in 1998 and therefore any subsequent dealing on the portion of land adverse to its interest is null and of no effect.

Judgment was delivered in June 2009 to the effect that there was indeed a contract between the FMWH and CCBL which the Ministry breached and that they were entitled to the parcel of land (including the UPDC acquired area). The court further declared that the certificates of UPDC and other parties to the suits were null and void. CCBL, with the help of police officers, but without a writ of execution from the Court and any bailiff of Court, forcefully took over the premises and ejected UPDC’s contractors and workers therefrom.

UPDC appealed the judgment. The counsel (Paul Usoro SAN - FRC/2013/NBA/00000002957) opined that UPDC has a high chance of succeeding in its appeal because of inconsistencies in the judgment of the High Court and that the company is a bonafide purchaser of value without notice of any encumbrance on the property before acquiring a legal title.

Steve Akhigbemidu & Co. - FRC/2013/NIESV/00000001442 (Estate Surveyors & Valuers) assessed and valued the property in 2014 - fair market: N1.8billion, forced sale: N600 million, following which the directors wrote down the property to its forced sale value of N600 million. The Directors have sought professional legal counsel and are of the opinion that no significant liability is expected.

There was no capital commitment as at 31 December 2022 (2021: Nil).

The Group has entered into commercial leases on certain property and equipment. These leases have an average life of between one and two years, with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

47 Events after reporting date

There were no events after the reporting date which could have a material effect on the consolidated and separate financial position of the Group as at 31 December 2020 or the financial performance for the year ended that have not been adequately provided for or disclosed.

48 Group subsidiaries and related party transactions

Custodian Investment Plc is a company incorporated in Nigeria and is the ultimate parent company of the Group.

Transactions between the parent and its subsidiaries have been eliminated on consolidation. Details of the Group's interests and investments in subsidiaries as at 31 December 2022 are shown in Note 12.

The following balances were outstanding at the end of the reporting year:

Receivables from related parties:

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Key Management Personnel (Loan)	243,380	252,856	243,380	252,856
	243,380	252,856	243,380	252,856

Trading transactions

During the year, group entities entered into the following transactions with related parties

In thousands of naira	**Nature of transaction**	**31-Dec-22**	**31-Dec-21**
Custodian and Allied Insurance Limited	Group share cost	751,020	795,384
Custodian Life Assurance Limited	Group share cost	481,933	451,482
Custodian Trustees Limited	Company secretarial service	-	1,000
Crusader Sterling Pensions Limited	Group share cost	159,834	35,610
UPDC Plc	Shareholder loan	2,589,805	3,226,707
Interstate Securities Limited	Stock brokerage	7,462	34,876

The Group related parties exchanged transactions with the total amount of N3.99billion (2021: N4.55billion) between one another during the reporting year. The transactions with related parties are made at normal market prices and conducted at arm’s length.

The following amounts were outstanding at the reporting date:

	Amount owed by related parties		Amount owed to related parties	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Custodian and Allied Insurance Limited	(1,424)	59,369	(1,424)	59,369
Custodian Life Assurance Limited	1,583	-	1,583	-
Custodian Trustees Limited	625	-	625	-
Crusader Sterling Pensions Limited	9,327	-	9,327	-
UPDC Plc	2,589,805		2,589,805	

The Group considered the outstanding balances at the reporting date as unsecured loan. The settlements will involve physical delivery of cash as applicable.

In relation to the balances with related parties, there was no allowance for impairments on receivables at the end of the reporting period and no bad debt expensed in the year (2021: Nil).

49 Distribution made and proposed

In thousands of naira	31-Dec-22	31-Dec-21
Final dividend 2021: 40kobo (2020: 45Kobo)	2,352,746	2,646,839
Interim dividend 2022: 10kobo (2021: 10kobo)	588,186	588,186
	2,940,932	3,235,025

On 8 April 2022 and 1 September 2022, the Company paid final and Interim dividend comprising of 40kobo and 10kobo per ordinary share based on the 2021 audited financial results and 2022 half year results, respectively. Payment of the total ₦2,940,932,198.00 has since been made.
The Directors proposed a final dividend of 55kobo per ordinary share of 50kobo each for the financial year 2022 making a total dividend of 65kobo per share having paid an interim dividend of 10kobo per share previously.

50 Restatements

Restatement of comparatives
UPDC Plc, a subsidiary of the Company had in its books excess provisions to the tune of N77.6million made for agency fee between 2017-2020. These provisions were made to settle agents involved in the sale of properties by the company. However, upon completion of sales of these properties, the provisions which ought to have been written back in the years were not written back. In line with IAS 8 - Accounting Policies, Changes in Accounting Estimates, the excess provision was considered as a prior year error and as such, a restatement of prior years' figures in the UPDC Plc financial statements. The correction of the error was done by restating the opening balance of retained earnings and provisions of the year 2020 being the earliest prior period presented.

Impact on the financial statement of the Group
Custodian Investment Plc acquired 51% equity interest of UPDC Plc on 17 November 2020. The impact of the restatement is on the group retained earning, non-controlling interest and provisions as at 1 January 2021. The quantitative effect of the restatement of the group financial statement is as follows:

As reported in the statement of financial position: *In thousands of naira*	
Retained earning as at 1 January 2021 - As previously stated	25,379,761
Write back of the excess provisions (51% of N77,582,000)	39,566
Retained earning as at 1 January 2021 - As restated	25,419,327
Non-controlling interest as at 1 January 2021 - As previously stated	9,857,473
Write back of the excess provisions (49% of N77,582,000)	38,015
Non-controlling interest as at 1 January 2021 - As restated	9,895,488
Other payables (inclusive of provision for agency fees) as previously stated	8,685,008
Write back of the excess provisions	(77,582)
	8,607,426

51 Approval of Financial Statements

The consolidated and separate financial statements were approved by the Board of Directors and authorized for issue on 16 March 2023.

52 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Custodian Investment Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews 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.

53 Shareholding Structure and Free Float Status

	31 December 2022		31 December 2021	
	Units	**Percentage**	**Units**	**Percentage**
Issued Share Capital	5,881,864,195	100%	5,881,864,195	100%
Substantial Shareholdings (5% and above):				
GRATITUDE CAPITAL LIMITED*	1,337,988,150	22.75%	1,322,363,150	22.48%
MIKEADE INVESTMENTS LTD.**	924,907,141	15.72%	924,907,141	15.72%
UBAPC/SIGMA PENSION PFA FUND III - MAIN	-			
Total outstanding Shareholding	**2,262,895,291**	**38.47%**	**2,247,270,291**	**38.21%**
Directors' Shareholding (direct and indirect) excluding substantial interest held				
DR. MRS. OMOBOLA JOHNSON	155,000	0.003%	80,000	0.001%
MR. WOLE OSHIN	238,674,353	4.06%	238,674,353	4.06%
CHIEF (MRS) MARGARET GIWA	70,000,000	1.19%	109,999,845	1.87%
MR. RICHARD ASABIA	22,600,000	0.38%	58,994,820	1.00%
MRS. MIMI ADE-ODIACHI	4,000,000	0.07%	4,000,000	0.07%
MR. OLAKUNLE ADE-OJO	1,229,365	0.02%	1,229,365	0.02%
Total Directors' Shareholding	**336,658,718**	**5.72%**	**412,978,383**	**7.02%**
Other Influential Shareholding				
NIL				
NIL				
Total Other Influential Shareholding	**-**	**0.00%**	**-**	**0.00%**
Free Float in Units and Percentage	**3,282,310,186**	**55.80%**	**3,221,615,521**	**54.77%**
Free Float in Value (Naira)	**19,529,745,607**		**25,450,762,616**	

* Indirect shareholding of a director, Mr. Wole Oshin
** Indirect shareholding of a director, Mr. Olakunle Ade-Ojo
Declaration:

i Custodian Investment Plc with a free float percentage of 55.80% as at December 2022, is compliant with The Exchange's free float requirements for companies listed on the main Board.

ii 22, is compliant with The Exchange's free float requirements for companies listed on the main Board. Custodian Investment Plc with a free float value of N19,529,745,607 as at December 20

ADEYINKA JAFOJO
FRC/2013/NBA/00000002403
Custodian Trustees Limited
Company Secretary

54 Segment Reporting

Identification of reportable segments
The business activities of Custodian Investment Plc Group are first organized by product and type of service: insurance activities, pension asset management activities and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided between property & casualty (Non-Life) and life categories.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Life business
- Pension administration
- Property development and management
- Trustees and others

Non-Life Business
The non -life reportable segment offers a wide variety of insurance products for both individual and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

The business of this segment is undertaken by Custodian and Allied Insurance Limited, a fully owned subsidiary of the Company.

Life Business
The life reportable segment offers a range of life insurance products on both individual and group basis, including annuity, endowment and investment oriented products, insurance products with Discretionary Participatory Features (DPF). Gross premium recurring on life policies are recognised as revenue when payable by the policy holders. The business of this segment is undertaken by Custodian Life Assurance Limited, a fully owned subsidiary of the Company.

Pension Administration
This reportable segment included the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retirees in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received on member's contributions and the Net Asset value of Funds under Management respectively. The business of this segment is undertaken by Crusader Sterling Pensions Limited, a 76.55% owned subsidiary of the Company.

Property development and management
Through this reportable segment, the group engages in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail property assets across Nigeria. Core revenue stream for this segment include property sales, rental income, property management and fees/commission income. The operations of this business segment is carried out by UAC Property Development Plc (UPDC). The group owns 51% UPDC.

Trustees and others
This reportable segment includes trustee management, corporate services, investment and property management. The businesses of this segment are undertaken by the company and Custodian Trustees Limited, a fully owned subsidiary of the Company.

35 Net fair value (losses)/gains

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Changes in Fair Value of financial assets	(6,235,107)	(22,544,027)	(99,538)	120,749
Fair value gains on investment property	114,878	2,459,531	350	2,444,086
Net unrealised gain on foreign exchange	2,433,855	2,457,490	477	169,621
	(3,686,374)	(17,627,006)	(98,711)	2,734,456

36 Net Realized Gains

Profit on disposal of property and equipment	39,461	14,015	1,200	-
Net realised gain/(loss) on foreign exchange	30,042	(212,046)	-	490
(Loss)/gain on disposal of Investment property	(41,081)	284,734	-	-
Realised gain/(loss) on financial assets	1,474,340	2,677,413	27,315	-
	1,502,762	2,764,116	28,515	490

37 Management expenses

Staff cost (see note 37(i) below)	3,886,675	3,617,655	797,610	735,653
Auditors' remuneration	90,261	79,741	12,000	12,000
Amortisation of intangible assets	63,241	86,871	8,377	-
Depreciation of property, plant and equipment	732,524	509,563	81,712	44,660
Depreciation of right of use asset	58,065	50,361	-	-
Occupancy expenses	230,727	175,189	43,008	29,397
Directors fees and expenses	212,537	155,448	69,809	73,086
Printing, stationery & office supplies	40,789	34,801	26,876	24,929
Marketing and administration expenses	3,708,139	3,298,214	157,971	136,241
AGM, dividend processing & related costs	40,844	26,471	36,000	20,611
Pension protection fund charge	121,993	105,538	-	-
Fees, levy & assessment	1,669,842	1,642,705	86,476	228,002
Other expenses	11,515	82,132	115	226
	10,867,152	**9,864,689**	**1,319,954**	**1,304,805**

i Staff cost

Salaries	2,243,353	2,398,836	285,335	235,793
Defined contribution pension cost	149,259	162,598	16,310	12,384
Other staff allowance	1,498,463	1,056,221	495,965	487,476
	3,891,075	3,617,655	797,610	735,653

38 Impairment allowance

Charge/(write back) on cash and cash equivalents (ECL)	43,060	(49,252)	21,352	(27,720)
Charge/(write back) on financial assets at amortised costs (ECL)	509,684	(8,570)	(32,227)	71,106
Charge on equity accounted investee	1,515,577	-	-	-
Charge on other receivables	(87,640)	821,184	-	(4,625)
	1,864,159	763,362	(10,875)	38,761

39 Finance costs

Finance income	(86,367)	(45,654)	-	-
Finance cost	198,404	555,852	-	-
	112,037	510,198	-	-

Finance income and finance cost were calculated using the effective interest rate.

40 Net gain/(loss) on fair value through OCI assets

Gain/(loss) during the period	42,706	(107,103)	-	-

41 Disposal group held for sale and discontinued operations

Loss from discontinued operations	-	(116,286)	-	-

Loss relates to the assets held for disposal by UPDC Plc. See Note 16.

54.1 Consolidated statements of profit or loss and other comprehensive income

In thousands of naira	Non Life 2022	Life 2022	Pension Administration 2022	Property Development 2022	Holding Company & Trustees 2022	Total 2022	Elimination & Others 2022	Consolidated 2022
Gross premium written	37,982,979	37,769,832	-	-	-	75,752,811	-	75,752,811
Gross premium income	36,529,918	37,607,533	-	-	-	74,137,451	-	74,137,451
Sale	-	-		5,896,957		5,896,957		5,896,957
Reinsurance expenses	(25,499,140)	(1,769,635)	-	-	-	(27,268,775)	-	(27,268,775)
Cost of sales	-	-	-	(4,289,233)	-	(4,289,233)	-	(4,289,233)
Net income	11,030,778	35,837,898	-	1,607,724	-	48,476,400	-	48,476,400
Fees and commission income	1,681,775	283,439	4,174,643	-	27,542	6,167,399	-	6,167,399
Net income	12,712,553	36,121,337	4,174,643	1,607,724	27,542	54,643,799	-	54,643,799
Net claims expenses	(4,530,595)	(31,511,147)	-	-	-	(36,041,742)	-	(36,041,742)
Underwriting expenses	(3,366,228)	(3,539,124)	-	-	-	(6,905,352)	-	(6,905,352)
	4,815,730	1,071,066	4,174,643	1,607,724	27,542	11,696,705	-	11,696,705
Interest income	2,984,909	11,357,295	688,082	57,271	543,975	15,631,532	(270,304)	15,361,228
Other investment and operating income	464,870	703,494	38,561	240,782	6,499,303	7,947,010	(6,434,615)	1,512,395
Net realised gains/(losses)	33,324	(106,186)	31,532	-	28,515	(12,815)	-	(12,815)
Net fair value gains/(losses)	2,440,659	(6,028,408)	-	-	(98,625)	(3,686,374)	-	(3,686,374)
Impairment (allowance)/write back	(495,121)	4,386	(23,387)	157,092	8,448	(348,582)	-	(348,582)
Finance cost	-	-	(5,095)	(377,246)	-	(382,341)	270,304	(112,037)
Management expenses	(4,123,207)	(2,997,326)	(2,476,018)	(1,351,746)	(1,354,931)	(12,303,228)	1,436,076	(10,867,152)
Share of loss from investment in joint venture	-	-	-	(4,746)	-	(4,746)	-	(4,746)
Share of result of equity accounted investee	-	208,804	-	-	-	208,804	29,007	237,811
Profit before income tax expense	**6,121,164**	**4,213,125**	**2,428,318**	**329,131**	**5,654,227**	**18,745,965**	**(4,969,532)**	**13,776,433**
Income tax expenses	(884,612)	(249,416)	(685,273)	(130,066)	(665,096)	(2,614,463)	-	(2,614,463)
Profit for the period	**5,236,552**	**3,963,709**	**1,743,045**	**199,065**	**4,989,131**	**16,131,502**	**(4,969,532)**	**11,161,970**
SEGMENT ASSETS	**53,872,190**	**114,296,143**	**8,459,091**	**19,433,147**	**34,931,102**	**230,991,673**	**(17,794,299)**	**213,197,374**
SEGMENT LIABILITIES	**28,735,803**	**97,811,701**	**1,986,226**	**11,031,766**	**4,011,435**	**143,576,931**	**(3,014,187)**	**140,562,744**
DEPRECIATION	129,261	205,337	125,531	187,022	85,373	732,524	-	732,524
AMORTISATION	2,480	35,403	13,052	3,929	8,377	63,241	-	63,241

Notes to the Consolidated and Separate Financial Statements

Consolidated statements of profit or loss and other comprehensive income

In thousands of naira	**Non Life 2021**	**Life 2021**	**Pension Administration 2021**	**Property Development 2021**	**Holding Company & Trustees 2021**	**Total 2021**	**Elimination & Others 2021**	**Consolidated 2021**
Gross premium written	34,437,522	32,464,843	-	-	-	66,902,365	-	66,902,365
Gross premium income	33,755,180	32,472,999	-	-	-	66,228,179	-	66,228,179
Sale	-	-		825,404		825,404		825,404
Reinsurance expenses	(23,263,610)	(2,083,304)	-	-	-	(25,346,914)	-	(25,346,914)
Cost of sales	-	-	-	(685,126)	-	(685,126)	-	(685,126)
Net income	10,491,570	30,389,695	-	140,278	-	41,021,543	-	41,021,543
Fees and commission income	1,610,328	278,604	3,637,909	-	21,583	5,548,424	-	5,548,424
Net income	12,101,898	30,668,299	3,637,909	140,278	21,583	46,569,967	-	46,569,967
Net claims expenses	(4,738,049)	(10,612,642)	-	-	-	(15,350,691)	-	(15,350,691)
Underwriting expenses	(2,942,997)	(3,399,715)	-	-	-	(6,342,712)	-	(6,342,712)
	4,420,852	16,655,942	3,637,909	140,278	21,583	24,876,564	-	24,876,564
Interest income	2,374,677	8,727,612	524,180	50,430	313,824	11,990,723	(181,415)	11,809,308
Other investment and operating income	159,938	627,133	110	247,737	5,746,223	6,781,141	(5,452,122)	1,329,019
Net realised gains/(losses)	(212,536)	2,678,213	420	297,329	690	2,764,116	-	2,764,116
Net fair value gains/(losses)	2,319,627	(22,681,089)	-	-	2,734,456	(17,627,006)	-	(17,627,006)
Impairment (allowance)/write back	(27,928)	(30,944)	(111)	(724,997)	(41,069)	(825,048)	61,686	(763,362)
Finance cost	-	-	(4,980)	(718,053)	-	(723,033)	212,835	(510,198)
Management expenses	(4,062,174)	(2,695,466)	(2,170,891)	(908,526)	(1,359,923)	(11,196,980)	1,332,291	(9,864,689)
Share of profit of associate	-	224,146	-	-	-	224,146	84,335	308,481
Profit/(loss) before income tax expense	**4,972,456**	**3,505,547**	**1,986,637**	**(1,615,802)**	**7,415,784**	**16,264,623**	**(3,942,390)**	**12,322,233**
Income tax expenses	(530,452)	(71,706)	(575,337)	(142,969)	(830,838)	(2,151,302)	-	(2,151,302)
Profit/(loss) from continuing operations	**4,442,004**	**3,433,841**	**1,411,300**	**(1,758,771)**	**6,584,946**	**14,113,321**	**(3,942,390)**	**10,170,931**
Loss from discontinued operations	-	-	-	(116,286)	-	(116,286)	-	(116,286)
Profit/(loss) after tax and discontinued operations	**4,442,004**	**3,433,841**	**1,411,300**	**(1,875,057)**	**6,584,946**	**13,997,035**	**(3,942,390)**	**10,054,645**
SEGMENT ASSETS	**45,954,161**	**98,362,190**	**7,137,456**	**19,596,230**	**31,693,600**	**202,743,637**	**(18,272,098)**	**184,471,539**
SEGMENT LIABILITIES	**23,522,239**	**84,241,581**	**1,522,440**	**11,501,207**	**2,822,129**	**123,609,596**	**(3,475,421)**	**120,134,175**
DEPRECIATION	116,815	194,581	138,078	9,704	50,385	509,563	-	509,563
AMORTISATION	3,175	66,277	13,798	3,621	-	86,871	-	86,871

55 Risk Management Framework

Introduction and Overview

The Board of Directors appreciates that risks are inherent in all aspects of the Group's operations and that it cannot totally eliminate risks. It therefore acknowledges the critical role of risk management in the achievement of the objectives of the Group.

The Enterprise Risk Management Framework establishes the criteria within which enterprise risks are managed. The intent of the framework is to ensure the effective communication and management of risk categories across all business units. The scope of the Framework is enterprise-wide and is applicable to Board, Management and employees of the Group.

Enterprise risk management is a process, applied by our organization in a strategic setting, which enables management to identify potential risk events that may affect the entity; and provides a framework to manage risk within the organization's risk appetite in order to provide reasonable assurance regarding the achievement of the organization's objectives.

The Board is committed to managing risk in accordance with established risk management standards and has overall responsibility for the establishment and oversight of the enterprise risk management framework. There is an established Board Risk Committee, which is responsible for developing and monitoring the enterprise risk management policies. It meets quarterly to receive reports from the Management Risk Committee. The Management Risk Committee in turn meets every month to review risk reports from the Chief Risk Officer.

The enterprise risk management policies are established to give broad guidance on how strategic objectives are to be set, and cascaded through to operational, reporting and compliance objectives. To identify and analyze the risks faced by the Group, risks are attached to objectives, core processes and key dependencies. The Group's risk policies set appropriate risk limits and appetites that form the basis for prioritizing identified risks. Risk controls are set and reviewed continually to monitor adherence to risk appetite and limits.

The Group has a policy to review the risk management policies and systems annually in order to reflect changes associated with its activities and the global economy generally. The Group, through regular risks workshops, trainings and design of standard operating procedures, aims to embed a risk culture in which all employees are aware of the risks in their respective roles and obligations.

The Group's risk management framework functions on three lines of risk defense. Core Process owners function as the first line of risk defense and they have responsibility for risk prevention. The risk management unit assumes the second line of risk defense and is assigned responsibility to holistically coordinate the risk control functions, enterprise-wide. The internal audit function, as the last line of risk defense, functions to secure assurance that risk controls are effective and efficient.

55.1 Objectives

The Group is committed to the management of inherent risks. The Group's enterprise risk management framework aims to:

- Promote proactive recognition of external factors and anticipate uncertainties that may affect the achievement of strategy.
- Protect the interests of the Group's shareholders.
- Provide assurance to counterparts, customers, employees and the community.
- Recognize that risk is embedded in all our activities and that the underlying risk appetite is key to effective decision making.
- Provide appropriate, consistent and transparent ownership and accountability around risk mitigation.
- Enable the design and implementation of controls.
- Improve performance measurement; the Group's improved understanding of its risk profile enables appropriate allocation of risk and economic capital to individual lines of business, which allows improved performance measurement and evaluation of activities.
- Ensure better control of operations; the Group expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive enterprise risk management culture.

55.2 Philosophy and principles

The continued successful safeguarding, maintenance and expansion of the Group's businesses requires a comprehensive approach to risk management.

It is the policy of the Group to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Group.

By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into the Group's daily business practices the Group will be better equipped to achieve its strategic objectives, whilst maintaining the highest ethical standards.

The Group adopts a risk philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

The Board of Directors is responsible for setting the enterprise risk management strategy of the Group and its implementation. All staff are expected to demonstrate the highest ethical standards of behavior in development of strategy and pursuit of objectives.

The following philosophy and principles govern the management of enterprise risk in the Group:

- The Board approves and periodically reviews the enterprise risk management framework.
- Ownership, management and accountability for risk is decentralised with business and functional units.

- There are consistent standards for defining, evaluating, measuring, monitoring and reporting risks.
- The Group's enterprise risk management practices are subject to regular independent review internally and externally.
- Enterprise risk management is governed by well-defined policies and procedures which are clearly communicated across the Group.
- Enterprise risk-related issues are taken into consideration in business decisions including new product and process designs.
- Various risk and loss events are reported openly and fully to the appropriate levels once they are identified.
- Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling risks are being implemented by the Group.

55.2.1 Strategy

Failure to manage risk effectively often results in significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of insurance licence, all of which directly impact shareholder value. Accordingly, the Group's enterprise risk strategy aims to minimise the impact of various risks on its shareholders' value. In more specific terms, the Group's strategy is to:

- reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings;
- minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Group's long-term growth, cash flow management and balance sheet protection; and
- make all managers responsible for the management of risk and thus minimise actual or potential losses. The Group recognises that some losses, such as operational errors, are inevitable and are normal business cost but will ensure these costs are kept within acceptable levels and potential losses are minimised.

In implementing this strategy, the Group:

- has put in place best-practice enterprise risk management policies and procedures. These include procedures to help identify, assess, control, manage and report various risks within the Group;
- ensures that roles and responsibilities are agreed and clearly understood by employees at all levels;
- ensures that all staff in business and support functions are aware of their responsibilities for risk management;
- considers the potential risk impact of its activities and products at the outset with a view to minimising these as far as possible;
- has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to the Board Audit & Risk Committees respectively;
- ensures that staff are provided with appropriate enterprise risk management training that is commensurate to their roles;
- establishes a workable business continuity plan (including disaster recovery and crisis management procedures) that minimises the impact of unexpected and catastrophic events on business operations and customer service;
- minimises the financial impact of losses, through management of risk factors and utilisation of insurance and other risk transfer strategies; and
- ensures that staff responsibility with respect to enterprise risk management is communicated through on-going risk awareness workshops and management action.

55.3 Governance and culture

The overall responsibility for enterprise risk management in the Group resides with the Board. The responsibility of the day-to-day management has been delegated as described in this section. On a regular basis, the Board receives reports on Group's risk profile through the Board Risk Management Committee.

To ensure consistency and prudent management of risks, the responsibility for managing risk has been split as follows:

- the overall governance owned by the Board and Board Committees (Board Audit & Risk Committees) and Management Risk Committee;
- the approval of enterprise risk management policies and standards for risk identification, measurement, assessment, monitoring and reporting is the responsibility of the Board Risk Management Committee;
- the enterprise risk management framework implementation and review is owned by the Risk Management department;
- the implementation of the enterprise risk management framework within the branches, departments/business units and the day-to-day management of risks is owned by respective core processes and executed through management structure.
- The assurance role that risk management controls are effective and efficient is owned by the internal audit function.
- Legal and Compliance unit ensures that the Company adheres to laws, regulations, guidelines and specifications relevant to its business.

55.3.1 The Board and Board Committees

The Board of Directors, Board Audit & Risk Committees and the Management Risk Committee shall have overall oversight function for enterprise risk management. It shall be their responsibility to ensure effective management of risks and adherence to the approved enterprise risk policies.

55.3.1.1 Board of Directors

The Board of Directors:

- sets the Group's enterprise risk strategy and direction in line with the Group's corporate strategy;
- gives final approval for the Group's enterprise risk management framework, policies and procedures;
- periodically reviews the framework to ensure its relevance and effectiveness; and ensures that senior management is performing its risk management responsibilities; and
- sets risk appetite levels.

55.3.1.2 Board Audit and Risk Committee

The Board Committees:
- ensures that the enterprise risk management framework is comprehensive and in line with the Group's strategy;
- approves the enterprise risk management framework and oversees its implementation;
- establishes a management structure capable of implementing the framework with clear lines of responsibility, accountability and reporting; and
- reports significant risk issues to the Board of Directors.

55.3.1.3 Management Risk Committee

The Group's Management Risk Committee:

- ensures that the framework is implemented consistently across the Group;
- ensures policies and procedures are developed for managing risk in the Group's products, activities, systems and processes;
- ensures that all levels of staff understand their responsibilities with respect to enterprise risk management;
- reviews the Group's risk dashboard and assesses potential impact on the activities of the Group or business unit;
- ensures the Group's risk profile is within established risk parameters;
- ensures that staff are adequately trained and have access to the necessary resources;
- obtains and reviews periodic reports on loss events, risk profiling, control failures enterprise-wide and monitors that corrective measures are being implemented;
- ensures that the outputs from the enterprise risk management process are factored into the day-to-day management decisions of the Group; and
- ensures that the Group's enterprise risk management policies and procedures promote the desired risk culture.

55.3.1.4 Chief Risk Officer

The Chief Risk Officer:

- leads the development and implementation of enterprise risk management across the Group.
- develops enterprise risk management strategy, principles, framework and policy.
- implements appropriate enterprise risk management processes and methodologies.
- advises and coaches management and business units on risk management.
- coordinates the appropriate and timely delivery of risk management information.
- approves all reports, risk policy proposals, recommendations and other documents prepared for presentation to the Management Risk Committee, and Board Audit & Risk Committees.

The Enterprise Risk Management seeks to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks, and promoting accountability. In short, we seek to promote a risk-conscious workforce across the enterprise.

The Group's risk culture is based on the following:

- ownership of Risk Management by top executives and senior management with appropriate delegation down the line.
- integration of risk management into all business units of the Group.
- compliance with the Group's culture and value system.
- proactive risk management process.
- risk Management training, education and awareness.
- effective risk management and controls .
- constant monitoring of risk environment and risk management process and system.
- compliance with all relevant statutory, regulatory and supervisory rules, regulations, pronouncements and requirements.
- ensuring risk management owners are responsible and accountable relative to their function and position.
- ensure crisis-free management of risk issue when and if it occurs.

55.4 Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure . To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group trade and other payables (comprising of insurance payables, company income tax, deferred tax liabilities and others), less cash and short-term deposits, excluding discontinued operations.

Notes to the Consolidated and Separate Financial Statements

In thousands of naira	Group 31-Dec-22 2021	Group 31-Dec-21 2020	Company 31-Dec-22 2021	Company 31-Dec-21 2020
Trade and other payables				
Less Cash and cash equivalents short term deposits	22,044,849	17,176,184	1,855,128	601,326
Cash (deficit)/surplus	(1,727,525)	(1,524,558)	331,285	(656,989)
Equity	**63,175,147**	**55,156,865**	**30,559,371**	**28,540,308**
Capital and net debt	60,995,974	52,640,244	30,559,371	28,540,308
Gearing ratio	3%	5%	0%	0%

55.5 Risk Identification and Prioritization

Risk identification is a deliberate and systematic effort to identify and document the enterprise's key risks. Risks emanate from internal or external sources which affects implementation of strategy or achievement of objectives.

The objective of risk identification is to understand what is at risk within the context of the enterprise explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade or delay the achievement of the objectives. The Group adopts a rigorous and ongoing process of risk identification that also includes mechanisms to identify new and emerging risks timely. These risks form the basis of the overall risk profile for the enterprise.

The following broad categories of risk are used to enable appropriate aggregation and to assist with the identification of inherent risks across the Group:

- Business Strategy Risk
- Credit Risk
- Compliance Risk
- Insurance Risk
- Legal/Regulatory Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Reputation/Brand Risk

55.6 Risk Appetite/Risk Tolerance

It is not always efficient to manage risks to zero residual risk or very low residual threshold because of the time, cost and effort that will be required. However, it is also poor risk management practice to accept risks which create unnecessary exposure for the enterprise.

As a result, the enterprise will not accept risks which could expose her to:

- Unacceptable levels of financial loss relative to strategic and operational targets
- Breaches of legislation or regulatory non-compliance
- Damage to its reputation
- Unacceptable interruption to the provision of services to customers
- Damage to relationships with its customers and key stakeholders

The Group's risk tolerance statement is defined below which guides strategic decision making;

The Group shall hold capital at the 99.6% Value-at-risk level. No risk driver for example, line of business or asset class must consume more than 5% of shareholder's equity when looking at the 95% Value at Risk. No extreme scenario with a probability of higher or equal to a 1 in 250 years must result in a loss which exceeds 15% of the shareholder's equity".

55.7 Risk Reporting and Communication

Information is needed at all levels to identify, assess and respond to risks. Like any other process, the success of risk management depends on the availability of reliable information and effective communication at various levels. Pertinent information has been identified, captured and communicated in a form and time frame that enables members of staff to carry out their responsibilities.

A reporting system is designed to provide assurance that the enterprise risks are adequately managed. Information is provided on risk management status and actions taken for continuous improvement. The report provides information on the effectiveness of achieving corporate objectives; a forward looking report that anticipates emerging risks.

Information and communication channels are in place to make various business units aware of risks that fall into their area of responsibility and the expected behavior to mitigate negative outcomes.

Relevant information, properly and timely communicated is essential to equip the relevant officials to identify, assess and respond to risks. The Enterprise's risk communication and reporting process supports enhanced decision making and accountability through; dissemination of relevant, timely, accurate and complete information.

55.8 Risk Management and Controls

In the management and control of risks, the information gained during risk assessments is used to develop control measures that would be applied to ensure appropriate management of risks. It involves the implementation of new polices and standards, physical changes and procedural changes that can reduce or eliminate certain risks within the various business units.

The following are the risk control measures the enterprise employs to mitigate risk:

- Risk Avoidance: this involves committing to stop executing the activities that give rise to the risk. Risk avoidance is usually a function of consolidating business processes and implementing preventative controls to halt deviations from acceptable norms.
- Risk Reduction: The risk reduction strategy involves reorganizing business processes to reduce the risk exposure inherent in them. Risk reduction involves reducing the severity of the loss or the likelihood of the loss occurring.
- Risk Transfer: A risk transfer strategy involves reducing risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk transfer techniques used includes purchasing insurance products, pooling risks and engaging in hedging transactions.
- Risk Acceptance: A risk acceptance strategy is a well-informed decision to accept loss, or benefit of gain, from a risk when it occurs. This involves making resources available internally to mitigate or accommodate such risks. An acceptance strategy is an effective way of addressing emerging risks which are those risks that are anticipated to arise in the future.

Control activities are also established to ensure that risk management decisions are carried out effectively and consistently throughout the Group. This involves formalizing risk management decisions in the Group's policies, ensuring clear accountability, utilizing self-assessment and monitoring tools and designing controls into the systems and critical business processes.

55.9 Risk Factors and Types

55.9.1 Insurance risk

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group 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.

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.

55.9.1.1 General Accident insurance risks

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant is the long tailed nature of occupational hazards and employers liability. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

The Group manages these risks through prudent underwriting, adequate reinsurance arrangements and proactive claims handling.

Prudent underwriting attempts to ensure that bad risks are rejected and the underwritten pool of risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting policies are in place to enforce proper risk selection. For example, the Group does not write or renew individual policies with established moral hazards. It also imposes excesses and deductibles to make the insured bear a proportion of a loss and thus check negligent or indulgent tendencies. The Group undertakes loss investigation that most times results in downward adjustments of reported claims. The Group rejects payment of fraudulent claims that are thrown up by its investigation search light. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs through its subrogation rights. Any contract in which a branch office of the Group is committed to cover risks in excess of its prescribed limits requires head office approval.
The reinsurance arrangements include excess of loss and catastrophe covers that are used to protect the Group's net account. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than N70 million in any one event.

Sources of uncertainty in the estimation of future claim payments

Claims on long-tail general accident insurance contracts are payable on a claims-occurrence basis. Coverage applies to bodily injury or property damage that occurs during the policy period, regardless of when claims for damages are made. As a result, liability claims are settled over a long period of time (long-tail), and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For general accident insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Process used to decide on assumptions
The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. However, the Nigerian market has not had severe losses from asbestos-related diseases which is usually material and is therefore not too complicated to come up with reasonable assumptions.

The Group uses assumptions based on a mixture of internal and market data. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual insurance contracts carried out at year-end 2014 to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims.

Change in assumptions and sensitivity analysis
There were no additional net insurance reserves (outstanding claims) arising in respect of prior years that has arisen due to changes in the assumptions used to estimate the ultimate cost of claims, including public liability claims.

Because the assumptions used to estimate these liabilities require judgment, they are subject to great uncertainty.

55.9.1.2 Property insurance contracts

Frequency and severity of claims
For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, flooding) and their consequences (for example, flood claims). For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage. The Group has reinsurance cover for such damage to limit losses to N300 million in any one catastrophe event.

Property insurance contracts are subdivided into the following risk groups: fire, business interruption, and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings. The Group does not underwrite property insurance contracts outside Nigeria.

Sources of uncertainty in the estimation of future claim payments
The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of a flood claim make the estimation process more uncertain for these claims.

The uncertain nature of the costs of this type of claim causes greater uncertainty in the estimates than in previous years. The Group has been monitoring numbers of reported claims on a weekly basis and reflected such information in its assessment of the adequacy of the unearned premium provision held at year end. The effect of this unexpected weather may affect prior year claims, due to the re-opening of old claims and higher settlement costs for flood claims in the current market. At year-end 2014, the Group believes that its liabilities for fire claims are adequate. However, more permanent changes in the climate may produce a higher frequency and severity of claims than currently expected.

Process used to decide on assumptions
For non-subsidence-related property risks, the Group uses similar statistical methods used for general accident insurance risks that incorporate the various assumptions made in order to estimate the ultimate cost of claims.

Similar to the approach for the assumptions underlying the casualty insurance liabilities, the choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments.

In certain instances, this has meant that different techniques or combination of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Changes in assumptions
The Group did not change its assumptions for the insurance contracts disclosed in this note other than updating the costs of rebuilding properties, replacement or indemnity for contents for time value of money.

55.9.1.3 Long-term insurance contracts

Frequency and severity of claims
For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics (such as AIDS, SARS, EBOLA and a human form of avian flu) or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected.

For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted. The Group charges for mortality risk on a monthly basis for all insurance contracts without a fixed term. It has the right to alter these charges based on its mortality experience and hence minimize its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Group manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group’s underwriting procedures, to reflect the health condition and family medical history of the applicants. The Group has a retention limit of =N=15 million on any single life insured and reinsures the excess through a surplus treaty reinsurance arrangement. The Group does not have in place any reinsurance for contracts that insure survival risk.

Sources of uncertainty in the estimation of future benefit payments and premium receipts
Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behavior.

The Group uses appropriate base tables of standard mortality according to the type of contract being written. An investigation into the actual experience of the Group over the last three years is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. Where this is not the case, the best estimate of future mortality is based on standard industry tables adjusted for the Group’s overall experience. For contracts that insure survival, an adjustment is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies. The impact of any historical evidence of selective termination behavior will be reflected in this experience. The Group maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

Process used to decide on assumptions
For long-term insurance contracts with fixed and guaranteed terms, estimates are made in two stages. At inception of the contract, the Group determines assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. These assumptions are used for calculating the liabilities during the life of the contract.

A margin for risk and uncertainty is added to these assumptions. These assumptions are ‘locked in’ for the duration of the contract. Subsequently, new estimates are developed at each reporting date to determine whether liabilities are adequate in the light of the latest current estimates. The initial assumptions are not altered if the liabilities are considered adequate. If the liabilities are not adequate, the assumptions are altered (‘unlocked’) to reflect the latest current estimates; no margin is added to the assumptions in this event. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets shown in paragraph below is not symmetrical. Improvements in estimates have no impact on the value of the liabilities and related assets, while significant enough deteriorations in estimates have an impact.

The assumptions used for the insurance contracts disclosed in this note are as follows:

i. Mortality
An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into the Group’s experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. For contracts insuring survivorship, an allowance is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies.

ii. Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Group's own experience.

iii. Persistency

An investigation into the Group's experience over the most recent three years is performed, and statistical methods are used to determine an appropriate persistency rate. Persistency rates vary by product type and policy duration. An allowance is then made for any trends in the data to arrive at a best estimate of future persistency rates that takes into account the effective contract holders' behavior.

iv. Investment returns

Investment returns affect the assumed level of future benefits due to the contract holders and the selection of the appropriate discount rate. The Group's primary assumptions on investment returns relate to four components:

(a) Risk-free rates

The risk-free rates are the gross yields to redemption of benchmark government securities.

(b) Equity investments

The expected long-term return – dividends and capital growth – is derived by adding to the risk-free rate of return on equity risk premium percentage considered to be appropriate.

(c) Overall investment return

A weighted average rate of investment return is derived by combining different proportions of the above financial assets in a model portfolio, which is assumed to back the liabilities. These model portfolios are consistent with the long-term asset allocation strategies as set out in the Group's Asset Liability Management (ALM) framework.

v. Renewal expense level and inflation

The current level of expenses is taken as an appropriate expense base. Expense inflation is assumed to be a suitable rate above current inflation rates hovering around 8.2% per annum in Nigeria.

vi. Tax

It has been assumed that current tax legislation and rates continue unaltered.

Change in assumptions

The Group did not change its assumptions for the insurance contracts disclosed in this note.

(a) Guaranteed annuity options

The amount of insurance risk under contracts with guaranteed annuity options is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Group does not have sufficient historical data on which to base its estimate of the number of contract holders who will exercise their options.

Available table indicates the likely changes in the carrying amount of the liability at year-end in response to changes in interest and mortality rates. The additional carrying amount is calculated on the assumption that every contract holder exercises his option at the earliest date possible.

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

Other than for the testing of the adequacy of the liability representing the unexpired risk at the end of the reporting period, there is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration. However, for incurred disability income claims, it is necessary to estimate the rates of recovery from disability for future years. Standard recovery tables produced by reinsurers are used as well as the actual experience of the Group. The influence of economic circumstances on the actual recovery rate for individual contracts is the key source of uncertainty for these estimates.

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

	GROSS		REINSURANCE		NET	
In thousands of naira	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Within Nigeria	36,529,918	33,755,180	23,396,645	21,654,200	13,133,273	12,100,980
Outside Nigeria	-	-	2,102,495	1,674,660	(2,102,495)	(1,674,660)
	36,529,918	33,755,180	25,499,140	23,328,860	11,030,778	10,426,320

The concentration of non-life insurance by type of contract is summarised below by reference to gross premium and premium ceded to reinsurers.

	GROSS		REINSURANCE		NET	
In thousands of naira	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Accident	3,803,268	2,264,054	2,144,411	994,612	1,658,857	1,269,442
Aviation	189,079	280,519	12,885	42,860	176,194	237,659
Bond	31,163	13,038	3,098	2,356	28,065	10,682
Engineering	596,440	653,647	347,820	415,606	248,620	238,041
Fire	9,158,499	7,526,883	6,687,448	5,644,231	2,471,051	1,882,652
Marine	1,398,986	1,400,937	467,704	539,561	931,282	861,376
Motor	3,479,003	3,428,551	114,056	88,024	3,364,947	3,340,527
Oil and Energy	17,873,480	18,187,551	15,721,718	15,601,610	2,151,762	2,585,941
	36,529,918	33,755,180	25,499,140	23,328,860	11,030,778	10,426,320

Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Group uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims, costs, ultimate claims numbers and expected loss rations. The Group considers that the liability for non-life insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

Some results of sensitivity testing are set out below:

Discounted Inflation Adjusted Basic Chain Ladder Method *In thousands of naira*	**2022**	**Base**	**5% Loss Ratio**	**(-5%) Loss Ratio**	**1%Inflation Rate**	**(-1)% Inflation Rate**	**1%Discount Rate**	**(-1)% Discount Rate**
Class of business								
Accident		1,291,177	1,303,566	1,279,479	1,290,446	1,291,908	1,279,519	1,303,137
Engineering		252,432	254,554	250,182	245,621	259,239	250,657	254,245
Fire		2,118,676	2,139,787	2,096,424	2,127,612	2,109,740	2,105,039	2,132,579
Marine		508,389	515,320	501,526	509,156	507,622	505,846	510,971
Motor		672,733	687,069	658,132	671,756	673,710	668,425	677,128
Oil and Energy		20,564	29,395	11,733	20,564	20,564	20,475	20,654
Bond		2,260	3,654	866	2,260	2,260	2,245	2,276
Aviation		980,593	1,686,082	275,104	980,593	980,593	966,754	994,852
Total IBNR		5,846,824	6,619,427	5,073,446	5,848,008	5,845,636	5,798,960	5,895,842
Effect of changes on IBNR		2,838,248	3,610,850	2,064,870	2,839,431	2,837,060	2,790,382	2,887,266
In thousands of naira	**2021**							
Accident		928,284	1,032,083	793,157	932,207	924,361	919,522	937,280
Engineering		283,350	304,274	262,424	284,360	282,341	281,276	285,472
Fire		2,576,152	2,826,204	2,324,575	2,577,201	2,575,112	2,556,482	2,596,254
Marine		300,900	338,129	263,671	302,728	299,073	299,271	302,556
Motor		549,198	596,078	502,256	549,752	548,644	545,765	552,696
Oil and Energy		16,512	30,538	2,486	16,512	16,512	16,512	16,512
Bond		982	1,634	330	982	982	982	982
Aviation		826,618	1,578,189	75,048	826,618	826,618	813,995	839,626
Total IBNR		5,481,996	6,707,129	4,223,947	5,490,360	5,473,643	5,433,805	5,531,378
Effect of changes on IBNR		2,215,400	3,440,530	957,350	2,223,762	2,207,046	2,167,207	2,264,782

Claims development table for non-life outstanding claims

The following tables show the development of claims over a period of time on both a gross and net of reinsurance basis. In 2012, in the year of adoption of IFRS, only 5 years were required to be disclosed. This will be increased in each succeeding year, until 8 - 10 years of information is presented. The top half of the table shows how the estimates of total claims for each accident year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the Statement of Financial Position.

The cumulative claims estimates and payments for each accident year are translated into Nigerian Naira at the year rates that applied at the end of each accident year.

Analysis of claims development – Gross

In thousands of naira	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Estimate of ultimates:											
End of accident year											
1 year later	6,081,643	6,559,766	6,770,286	6,852,525	6,903,787	6,921,028	6,921,028	6,921,791	6,921,791	7,166,546	-
2 years later	6,214,426	6,599,973	6,768,644	6,881,274	6,930,563	6,930,563	6,930,822	6,933,108	5,194,631	-	-
3 years later	5,135,621	5,761,265	5,933,707	6,012,985	6,026,293	6,030,904	6,030,904	7,510,466		-	-
4 years later	6,787,967	7,292,269	7,593,831	7,684,726	7,713,653	7,715,994	6,256,381	-		-	-
5 years later	5,198,168	5,806,296	5,906,357	5,922,033	5,946,174	5,079,794				-	-
6 years later	4,789,395	5,184,780	5,272,632	5,310,563	10,824,754	-				-	-
7 years later	4,603,570	4,843,864	4,921,858	6,806,514	-	-				-	-
8 years later	4,960,154	5,084,164	6,910,585							-	-
9 years later	4,960,154	6,452,065	-							-	-
10 years later	6,672,641	-	-	-	-	-	-	-		-	-
Current estimate of ultimate claims	6,672,641	6,452,065	6,910,585	6,806,514	10,824,754	5,079,794	6,256,381	7,510,466	5,194,631	7,166,546	68,874,377
Cumulative payments	(6,671,068)	(6,450,979)	(6,908,516)	(6,763,262)	(10,812,470)	(5,033,375)	(6,063,148)	(6,845,592)	(3,926,269)	(3,552,871)	(63,027,550)
Outstanding claims provision at 31 December 2022	1,573	1,086	2,069	43,252	12,284	46,419	193,233	664,874	1,268,362	3,613,675	5,846,827

55.9.2 Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance programme and to a lesser extent amounts due from policyholders and intermediaries. Key areas where the Group is exposed to credit risk are:

Principal Credit Risks

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Amounts due from loans and receivables;
- Amounts due from debt securities; and
- Amounts due from money market and cash positions.

The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

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

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

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

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

55.9.2.1 Credit Risk Measurement, Control and Mitigation

i. Premium and Reinsurance Receivables
Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

The Credit Control Committee works closely with the Underwriting and Reinsurance departments to assess the creditworthiness of all reinsurers and intermediaries by setting and reviewing regularly the credit rating of each reinsurer using internal records and other publicly available financial information.

Individual operating units maintain records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the group procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency.

Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Group's risk department.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

ii. Investments

The Group limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a credit rating of at least BBB- from rating agencies. Management actively monitors credit ratings and given that the Group only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Industry analysis

31 December 2022 - Group *In thousands of naira*	Financial services	Government	Consumers	Construction and materials	Manufacturing & petroleum	Others	Total
Cash and cash equivalents	22,044,	-	-	-	-	-	22,044,849
Debt instruments at amortised costs	15,925,773	34,714,439	603,951	-	-	-	51,244,163
Trade receivables	-	-	-	-	-	1,653,611	1,653,611
Other receivables	-	849 -	-	-	-	3,881,790	3,881,790
Reinsurance assets	-	-	-	-	-	3,568,324	3,568,324
Statutory deposits	-	2,672,415	-	-	-		2,672,415
	37,970,622	37,386,854	603,951	-	-	9,103,725	85,065,152

31 December 2021 - Group *In thousands of naira*	Financial services	Government	Consumers	Construction and materials	Manufacturing & petroleum	Others	Total
Cash and cash equivalents	17,176,184	-	-	-	-	-	17,176,184
Debt instruments at amortised costs	13,804,111	29,722,006	505,194	-	-	-	44,031,311
Trade receivables	-	-	-	-	-	174,759	174,759
Other receivables	-	-	-	-	-	4,726,506	4,726,506
Reinsurance assets	-	-	-	-	-	3,299,184	3,299,184
Statutory deposits	-	2,299,144	-	-	-	-	2,299,144
	31,578,581	18,306,581	256,686	-	-	8,200,449	71,707,088

31 December 2022 - Company *In thousands of naira*	Financial services	Government	Consumers	Construction and materials	Manufacturing & petroleum	Others	Total
Cash and cash equivalents	1,855,128	-	-	-	-	-	1,855,128
Debt instruments at amortised costs	118,027	-	2,805,133	-	-	-	2,923,160
Other receivables	-	-	-	-	-	981,117	981,117
	1,973,155	-	2,805,133	981,117	5,759,405	981,117	5,759,405

31 December 2021 - Company *In thousands of naira*	Financial services	Government	Consumers	Construction and materials	Manufacturing & petroleum	Others	Total
Cash and cash equivalents	601,326	-	-	-	-	-	601,326
Debt instruments at amortised costs	575,939.00	-	3,405,883	-	-	-	3,981,822
Other receivables	-	-	-	-	-	1,146,330	1,146,330
	1,177,265	-	3,405,883	-	-	1,146,330	5,729,478

Impairment assessment

The Group's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure
The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Group also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

The Group considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a lifetime ECL.

There has been no significant increase in credit risk or default for financial assets during the year.

Expected credit loss
The Group assesses the possible default events within 12 months for the calculation of the 12mECL. 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 rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group’s internal grading system are also provided.

Moody's rating		**2022**			**2021**		
In thousands of naira	**Group**	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
Performing							
Cash and cash equivalents							
AAA-A+			-		-	-	-
BBB-B+		22,317,929	-	22,317,929	17,454,762	-	17,454,762
C-CCC			-		-	-	-
Total Gross Amount		**22,317,929**	**-**	**22,317,929**	**17,454,762**	**-**	**17,454,762**
ECL		(273,080)		(278,578)	(278,578)		
Total Net Amount		**22,044,849**	**-**	**22,044,849**	**17,176,184**	**-**	**17,176,184**
Financial assets - amortised cost							
AAA-A+					-	-	-
BBB-B+		51,681,971	-	51,681,971	44,389,125	-	44,389,125
C-CCC		-	-		-	-	-
Total Gross Amount		**51,681,971**	**-**	**51,681,971**	**40,495,259**	**-**	**44,389,125**
ECL		(437,808)	-	(357,814)	(357,814)	-	
Total Net Amount		**51,244,163**	**-**	**51,244,163**	**40,137,445**	**-**	**44,031,311**
Unrated							
Other receivables		3,881,790	-	3,881,790	4,726,506	-	4,726,506
Total Gross Amount		**3,881,790**	**-**	**3,881,790**	**4,726,506**	**-**	**4,726,506**
ECL	-	(113,744)	-	(114,799)	(114,799)		
Total Net Amount		**3,768,046**	**-**	**3,768,046**	**4,611,707**	**-**	**4,611,707**

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Moody's rating		**2022**			**2021**		
In thousands of naira	**Company**	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
Performing							
Cash and cash equivalents							
AAA-A+			-	-	-	-	-
BBB-B+		1,883,277	-	1,883,277	608,123	-	608,123
C-CCC			-	-	-	-	-
Total Gross Amount		**1,883,277**	**-**	**1,883,277**	**608,123**	**-**	**608,123**
ECL	-	(28,149)		(6,797)	(6,797)		
Total Net Amount		**1,855,128**	**-**	**1,855,128**	**601,326**	**-**	**601,326**
Financial assets - amortised cost							
AAA-A+		-	-	-	-	-	-
BBB-B+		2,963,277	-	2,963,277	4,054,166	-	4,054,166
C-CCC		-	-	-	-	-	-
Total Gross Amount		**2,963,277**	**-**	**2,963,277**	**4,054,166**	**-**	**4,054,166**
ECL	-	(40,117)		(72,344)	(72,344)		
Total Net Amount		**2,923,160**	**-**	**2,923,160**	**3,981,822**	**-**	**3,981,822**
Unrated							
Other receivables		946,437	(10,690)	935,747	1,113,298	(10,690)	1,102,608
Total Gross Amount		**946,437**	**(10,690)**	**935,747**	**1,113,298**	**(10,690)**	**1,102,608**
ECL		(5,465)	(10,690)	(16,155)	(5,465)	(10,690)	(16,155)
Total Net Amount		**940,972**	**(21,380)**	**919,592**	**1,107,833**	**(21,380)**	**1,086,453**

Collateral for other receivables
Some of the Group's receivables (e.g. mortgage loans and car loans) are collaterised with assets ranging from properties and cars. As at 31 December 2022, the value of assets accepted as collateral that the Group is permitted to repossess or sell in the occurrence of default in respect of the staff loans exceeds the receivables balances.

As at 31 December 2022, the Group had no asset re-possessed as security against asset. The Group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The Group does not generally use the non cash collateral for its own operations.

As at 31 December 2022, the Group has not pledged any of its assets as collateral for any liability or payable balance (2021: nil)

Amounts arising from ECL

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 Group 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 be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow 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;
- 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.

Definition of default
The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset Is more than 90 days past due.
In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant and the other indicators of financial distress;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.
  Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information
The Group incorporates forward-looking information into its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Group's Investment and Risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate 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 pessimistic outcomes.

Measurement of ECL
The calculation of the expected credit loss is based on the key risk parameters of Probability of default(PD), Loss given default(LGD) and Exposure at default (EAD).

To determine the Lifetime and 12-month PDs, the Group uses the PD tables supplied by Moodys based on the default history of sovereign and corporate obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude off the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The modelling of parameter is carried out on an individual basis.

An overview of the approach to estimating ECLs is set out in Note 2 and in Note 3 judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Moodys, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios for Nigeria, as at 31 December 2022.

The Group has identified and documented key divers of credit risk and ECL for each portfolio of financial instruments and , using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Analysis of inputs to the ECL model under multiple economic scenarios
31 December 2022

Key drivers Macroeconomic variable	**ECL Scenario**	**Assigned Probabilities**	**2022**	**2023**	**2024**	**2025**	**2026**
GDP Growth rate (%)	Upside	13%	2.29	3.24	3.54	3.74	3.94
	Base case	79%	2.25	3.20	3.50	3.70	3.90
	Downside	8%	2.21	3.16	3.46	3.66	3.86
Inflation rates (%)	Upside	13%	15.04	13.10	11.64	11.54	11.54
	Base case	79%	0.21	15.00	13.06	11.60	11.50
	Downside	8%	14.96	13.02	11.56	11.46	11.46
Oil Prices "USD"(price per barrel)	Upside	13%	120.20	105.33	102.79	98.24	97.15
	Base case	79%	79.35	64.48	61.94	57.39	56.30
	Downside	8%	54.42	39.55	37.01	32.46	31.37
Unemployment rates (%)	Upside	13%	25.66	30.66	34.66	29.66	25.66
	Base case	79%	35.00	40.00	44.00	39.00	35.00
	Downside	8%	51.10	56.10	60.10	55.10	51.10

31 December 2021

Key drivers Macroeconomic variable	**ECL Scenario**	**Assigned Probabilities**	**2021**	**2022**	**2023**	**2024**	**2025**
GDP Growth rate (%)	Upside	11%	4.08	2.71	2.69	2.60	2.68
	Base case	80%	4.04	2.67	2.65	2.56	2.64
	Downside	8%	4.00	2.63	2.61	2.52	2.60
Inflation rates (%)	Upside	11%	14.44	13.29	11.81	11.54	11.54
	Base case	80%	14.40	13.25	11.77	11.50	11.50
	Downside	8%	14.36	13.21	11.73	11.46	11.46
Oil Prices "USD"(price per barrel)	Upside	11%	112.39	100.85	101.81	102.79	103.79
	Base case	80%	71.54	60.00	60.96	61.94	62.94
	Downside	8%	46.61	35.07	36.03	37.01	38.01
Unemployment rates (%)	Upside	11%	23.36	23.16	22.46	22.16	21.96
	Base case	80%	32.70	32.50	31.80	31.50	31.30
	Downside	8%	48.80	48.60	47.90	47.60	47.40

31 December 2022	**Group**	**Cash and cash equivalents**	**Financial assets - amortised cost**	**Other receivables**	**Total**
Upside	13%	35,500	56,915	14,787	107,202
Base case	79%	215,733	345,868	89,858	651,459
Downside	8%	21,846	35,025	9,100	65,971
		273,080	**437,808**	**113,744**	**824,632**
	Company				
Upside	13%	3,659	5,215	2,100	10,975
Base case	79%	22,238	31,692	12,762	66,693
Downside	8%	2,252	3,209	1,292	6,754
		28,149	**40,117**	**16,155**	**84,421**

31 December 2021	**Group**	**Cash and cash equivalents**	**Financial assets - amortised cost**	**Other receivables**	**Total**
Upside	11%	30,644	39,360	12,628	82,631
Base case	81%	225,648	289,829	92,987	608,465
Downside	8%	22,286	28,625	9,184	60,095
		278,578	**357,814**	**114,799**	**751,191**
	Company				
Upside	11%	748	7,958	1,777	10,483
Base case	81%	5,506	58,599	13,086	77,190
Downside	8%	544	5,788	1,292	7,624
		6,797	**72,344**	**16,155**	**95,296**

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55.9.2.2 Liquidity risks

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities as they fall due.

The Group has adopted an appropriate liquidity risk management framework for the management of the Group's liquidity requirements. The Group manages liquidity risk by maintaining adequate liquid assets and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group is exposed to liquidity risk arising from clients on its insurance contracts. In respect of catastrophic events there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers

Liquidity management ensures that the Group has sufficient access to funds necessary to cover insurance claims. In practice, most of the Group's assets are marketable securities which could be converted to cash when required.

The following tables detail the Group's expected maturity for its non-derivative assets. The tables below have been drawn up on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except the Group anticipates that the cash flow will occur in a different period.

31 December 2022 - Group

In thousands of naira	**Up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial and insurance assets:					
Amortised cost					
- Federal	646,837	9,020,149	11,459,368	12,253,752	33,380,106
- State	-	-	-	1,331,245	1,331,245
- Corporate	259,361	4,964,026	10,549,105	-	15,772,492
- Others	761,287	-	-	-	761,287
- Reinsurance assets	9,394,263	-	-	-	9,394,263
- Trade receivables	1,673,334	-	-	-	1,673,334
- Other receivables	5,832,841	-	-	-	5,832,841
- Cash and cash equivalents	21,964,247	-	-	-	21,964,247
	40,532,170	13,984,175	22,008,473	13,584,997	90,109,815
Financial and insurance liabilities					
Insurance contract liabilities	100,079,820	-			100,079,820
Investment contract liabilities	9,070,212	-		-	9,070,212
Trade payables	12,134,504	-	-	-	12,134,504
Other payables	11,637,870	-	-	-	11,637,870
	132,922,406	-	-	-	132,922,406

31 December 2021 - Group

In thousands of naira	**Up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial and insurance assets:					
Amortised cost					
- Federal	3,140,403	645,001	8,855,314	16,040,049	28,680,767
- State	-	-	-	1,474,152	1,474,152
- Corporate	-	1,997,600	10,824,844	-	12,822,444
- Others	1,430,405	261,702	243,380	-	1,935,487
Reinsurance assets	3,299,184	-	-	-	3,299,184
Trade receivables	793,826	-	-	-	793,826
Other receivables	4,185,560	-	-	-	4,185,560
Cash and cash equivalents	17,662,145	-	-	-	17,662,145
	30,511,523	2,904,303	19,923,538	17,514,201	70,853,565
Financial and insurance liabilities:					
Insurance contract liabilities	85,036,841	-	-	-	85,036,841
Investment contract liabilities	8,616,195	-	-	-	8,616,195
Trade payables	8,618,952	-	-	-	8,618,952
Other payables	10,159,372	-	-	-	10,159,372
	112,431,360	-	-	-	112,431,360

31 December 2022 - Company *In thousands of naira*	**Up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial assets:					
Amortised cost	2,923,160	-	-	-	2,923,160
Other receivables	981,117	-	-	-	981,117
Cash and cash equivalents	1,855,128	-	-	-	1,855,128
	5,759,405	-	-	-	5,759,405
Financial liabilities:					
Other payables	1,523,843	-	-	-	1,523,843
	1,523,843	-	-	-	1,523,843

31 December 2021 - Company *In thousands of naira*	**Up to 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Financial assets:					
Amortised cost	3,981,822	-	-	-	3,981,822
Other receivables	1,146,330	-	-	-	1,146,330
Cash and cash equivalents	601,326	-	-	-	601,326
	5,729,478	-	-	-	5,729,478
Financial liabilities:					
Other payables	1,258,315	-	-	-	1,258,315
	1,258,315	-	-	-	1,258,315

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The table below summarises the expected utilisation of assets and liabilities

31 December 2022 - Group *In thousands of naira*	**Current**	**Non Current**	**Total**
Assets			
Cash and cash equivalents	21,964,247	-	21,964,247
Financial assets	4,796,430	131,672,057	136,467,520
Trade receivables	1,673,334	-	1,673,334
Reinsurance assets	8,645,117	749,146	9,394,263
Inventory	-	5,203,334	5,203,334
Deferred acquisition costs	987,566.00	-	987,566
Other receivables and prepayments	5,832,841	-	5,832,841
Right-of-use assets	28,397	-	28,397
Investment in associate	-	3,290,257	3,290,257
Investment in joint venture	-	130,393	130,393
Investment properties	-	11,901,485	11,901,485
Assets of disposal group classified as held for sale	-	-	-
Property, plant and equipment	-	13,241,330	13,241,330
Intangible assets	-	224,731	224,731
Statutory deposits	-	2,672,415	2,672,415
Total assets	**43,927,932**	**169,085,148**	**213,012,113**
Liabilities			
Insurance contract liabilities	10,219,710	89,860,110	100,079,820
Investment contract liabilities	3,350,018	5,720,194	9,070,212
Interest bearing Loans and Borrowings	2,328,167	-	2,328,167
Lease liabilities	-	-	-
Trade payables	11,990,335	-	11,990,335
Other payables	11,465,184	-	11,465,184
Liabilities of disposal group classified as held for sale/distribution to owners	-		-
Current income tax payable	3,347,094	-	3,347,094
Deferred tax liabilities	-	2,066,396	2,066,396
Total liabilities	**42,700,508**	**97,646,700**	**140,347,208**

31 December 2021 - Group *In thousands of naira*	**Current**	**Non Current**	**Total**
Assets			
Cash and cash equivalents	17,176,184	-	17,176,184
Financial assets	11,118,610	102,841,148	113,959,758
Trade receivables	174,759	-	174,759
Reinsurance assets	7,735,308	516,853	8,252,161
Inventory	-	6,084,508	6,084,508
Deferred acquisition costs	784,693	-	784,693
Other receivables and prepayments	6,022,573	-	6,022,573
Right-of-use assets	69,862	-	69,862
Investment in associate	-	4,801,675	4,801,675
Investment in joint venture	-	130,393	130,393
Investment properties	-	11,760,655	11,760,655
Assets of disposal group classified as held for sale	-	8,086,683	8,086,683
Property, plant and equipment	-	4,696,005	4,696,005
Intangible assets	-	172,486	172,486
Statutory deposits	-	2,299,144	2,299,144
Total assets	**43,081,989**	**141,389,550**	**184,471,539**
Liabilities			
Insurance contract liabilities	7,561,642	77,475,199	85,036,841
Investment contract liabilities	2,945,906	5,670,289	8,616,195
Interest bearing Loans and Borrowings	2,516,621	-	2,516,621
Lease liabilities	-	-	-
Trade payables	8,618,952	-	8,618,952
Other payables	10,159,372	-	10,159,372
Liabilities of disposal group classified as held for sale/distribution to owners	1,187,895		1,187,895
Current income tax payable	1,941,504	-	1,941,504
Deferred tax liabilities	-	2,134,377	2,134,377
Total liabilities	**34,931,892**	**85,279,865**	**120,211,757**

31 December 2022 - Company

In thousands of naira	Current	Non Current	Total
Assets			
Cash and cash equivalents	1,855,128	-	1,855,128
Financial assets	2,923,160	919,078	3,842,238
Other receivables and prepayments	2,334,405	-	2,334,405
Investments in subsidiaries	-	15,373,012	15,373,012
Investments in associate	-	3,109,987	3,109,987
Investment properties	-	7,081,416	7,081,416
Property, plant and equipment	-	401,425	401,425
Intangible assets	16,755	-	16,755
Total assets	**7,129,448**	**26,884,918**	**34,014,366**
Liabilities			
Other payables	1,523,843	-	1,523,843
Current income tax payable	1,294,989	-	1,294,989
Deferred tax liabilities	-	636,163	636,163
Total liabilities	**2,818,832**	**636,163**	**3,454,995**

31 December 2021 - Company

In thousands of naira	Current	Non Current	Total
Assets			
Cash and cash equivalents	601,326	-	601,326
Financial assets	3,981,822	1,492,825	5,474,647
Other receivables and prepayments	1,904,939	-	1,904,939
Investments in subsidiaries	-	15,373,012	15,373,012
Investments in associate	-	525,364	525,364
Investment properties	-	7,081,066	7,081,066
Property, plant and equipment	-	94,548	94,548
	-	25,132	25,132
Total assets	**6,488,087**	**24,591,947**	**31,080,034**
Liabilities			
Other payables	1,258,315	-	1,258,315
Current income tax payable	657,323	-	657,323
Deferred tax liabilities	-	624,088	624,088
Total liabilities	**1,915,638**	**624,088**	**2,539,726**

55.9.3 Market risks

Market risk is the risk that changes in market prices, such as; foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group has established policies and procedures in order to manage market risk.

55.9.3.1 Currency risks

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group exposure to currency risk are minimised by matching the Group's financial assets to the same currencies as its insurance and investment contract liabilities. Cash and cash equivalent is the major asset which gives rise to currency risk.

Carrying amounts of the Group's foreign currency denominated assets.

2022 - Group *In thousands*	Sterling	Euro	US Dollars	Total
Assets				
Cash and cash equivalents	8,140	11,314	5,454,093	5,473,547
Financial assets	-	153,071	25,783,301	25,936,372
Reinsurance assets	-	-	4,204,990	4,204,990
	8,140	164,385	35,442,384	35,614,909
Liabilities				
Insurance contract liabilities	-	-	4,349,981	4,349,981
Net assets	**8,140**	**164,385**	**31,092,403**	**31,264,928**

2021 - Group *In thousands*	Sterling	Euro	US Dollars	Total
Assets				
Cash and cash equivalents	5,670	3,278	6,583,805	6,592,753
Financial assets	-	147,591	18,959,021	19,106,612
Reinsurance assets	-	-	3,015,912	3,015,912
	5,670	150,869	28,558,738	28,715,277
Liabilities				
Insurance contract liabilities	-	-	4,349,981	4,349,981
Net assets	**5,670**	**150,869**	**24,208,757**	**24,365,296**

2022 - Company *In thousands*	Sterling	Euro	US Dollars	Total
Assets				
Cash and cash equivalents	-	-	11,493	11,493
	-	**-**	**11,493**	**11,493**

2021 - Company				
Assets				
Cash and cash equivalents	-	-	2,765	2,765
	-	**-**	**2,765**	**2,765**

Foreign currency sensitivity analysis
The following table details the Group's sensitivity to 10% increase and decrease in the Naira against the relevant foreign currencies. A 10% sensitivity rate is used when reporting foreign risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity, the impact of change in a single factor is shown with other assumptions unchanged.

Group Cash and cash equivalent *In thousands of naira*				**2022** **Impact on profit before tax**	**Impact on equity**	**2021** **Impact on profit before tax**	**Impact on equity**
Sterling		+10%		814	814	567	567
	-10%	(814)	(814)	(567)	(567)		
Euro	+10%	1,131	1,131	328	328		
	-10%	(1,131)	(1,131)	(328)	(328)		
USD	+10%	545,409	545,409	658,381	658,381		
	-10%	(545,409)	(545,409)	(658,381)	(658,381)		
			-				
Company					-		
USD	+10%	1,149	1,149	277	277		
	-10%	(1,149)	(1,149)	(277)	(277)		

55.9.3.2 Interest rate risk management
Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk as the Group invests in long term debt at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by limited use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite.

Interest rate risk also exists in products sold by the Group. The Group manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.

The Group has no significant concentration of interest rate risk.

55.9.3.3 Equity price risk management

The Group is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed and unlisted securities that present the Group with opportunity for return through dividend income and capital appreciation. Equity investments designated as fair value through other comprehensive income (available-for- sale) are held for strategic rather than trading purposes.

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets whose fair values are recorded in the statement of profit or loss).

Group		**2021**		**2020**	
Cash and cash equivalent		**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**
In thousands of naira					
Fair value through profit or loss	+1%	829,776	829,776	685,369	685,369
	-1%	(829,776)	(829,776)	(685,369)	(685,369)
Fair value through OCI	+1%	22,457	22,457	13,915	13,915
	-1%	(22,457)	(22,457)	(13,915)	(13,915)
Company					
Fair value through profit or loss	+1%	5,281	5,281	11,018	11,018
	-1%	(5,281)	(5,281)	(11,018)	(11,018)

55.9.4 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Group recognizes the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

The Group is committed to the management of operational risks. The Group's operational risk management strategy aims to:

- reduce losses arising from operational risk – a key role of operational risk management in the Group is to reduce losses from operational failure and in particular avoid potentially large or catastrophic risk losses;
- provide early warning signals of deterioration in the Group's internal control system; and
- raise awareness of operational risk in the Group from top to bottom through the implementation of an enterprise-wide risk approach.

One of the foremost operational risks faced by the Group are financial crimes (internal fraud, external fraud and money laundering). Each incident is analysed, control failures identified and new controls designed. The Group is also investing in enhanced loss control. Key counter-measures put in place include:

- enhanced staff training;
- enhanced Know Your Policyholder (KYP) drive and background checks on employees;
- issuance of appropriate and deterrent circulars;
- job rotation and segregation;
- dissemination of email and SMS alerts to the Group's customers for each activity on their accounts;
- imposition of stiff disciplinary measures including prosecution of fraudulent staff, agents and brokers; and
- installation of panic alarm system, CCTV.

55.9.5 Outsourcing Risk

Outsourcing risk is the risk inherent in the usage of vendors. The group's extensive use of vendors enables the enterprise to deliver products and services to consumers and benefits to our employees. Risks inherent with using vendors includes: vendor performance, financial risks, reputation/brand, business continuity, information security, and legal/regulatory.

The Key counter-measures put in place includes:

- Maintain Enterprise policies to ensure appropriate management review, approval, and oversight of vendor risks.
- Hold vendors accountable for performance and utilize Management of Service Level Objectives.
- Through the Vendor Management Community, train associates responsible for vendor management on compliance processes, managing vendor risks, and sharing best practices.
- Review critical vendors and corporate department vendor oversight through the Internal Audit program.
- Conduct vendor vulnerability assessments on critical vendors to validate logical and physical controls protecting Custodian information and business processes.
- Manage vendor relationships and risk through Vendor Management Units.
- Identify Enterprise relationship owners for vendors that span multiple departments at Custodian.
- Use shared information repositories for contracts and vendor relationship management.

55.10 Financial risk management

Valuation bases
The Group monitors and manages the financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group may seek to minimise the effects of these risks by using financial instruments to hedge risk exposures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Group has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

The table below shows financial assets carried at fair value.

Group

31 December 2022 *In thousands*	**Fair value through profit or loss**	**Fair value through OCI**	**Fair value**
Quoted equities at FVTPL	82,977,625	-	82,977,625
Fair value through OCI - quoted	-	-	-
Fair value through OCI - unquoted	-	2,245,732	2,245,732
	82,977,625	2,245,732	85,223,357
31 December 2021			
Quoted equities at FVTPL	68,536,913	-	68,536,913
Fair value through OCI - quoted	-	-	-
Fair value through OCI - unquoted	-	1,391,534	1,391,534
	68,536,913	1,391,534	69,928,447
Company			
31 December 2022			
Quoted equities at FVTPL	528,078	-	528,078
Fair value through OCI - unquoted	-	391,000	391,000
	528,078	391,000	919,078
31 December 2021			
Quoted equities at FVTPL	1,101,825	-	1,101,825
Fair value through OCI - unquoted	-	391,000	391,000
	1,101,825	391,000	1,492,825

The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

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

The Company classifies the fair value of these investments as Level 3.

ii *Unlisted managed funds*
The Company invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

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The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Company classifies these funds as Level 3.

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

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

Quantitative information of significant observable inputs - unquoted equity instruments

Investment	Valuation technique (Significant unobservable valuation input)	Range* (weighted average)		Sensitivity used*		Effect on fair value (₦'000)		
African Reinsurance Corporation						Average EBITDA multiple of peers	2022: 5%	2022: N261
		2021: 5%		Market approach	2021: N230	Discount to average multiple (10%)		
			2022: 1%		2022: N6,705			
			2021: 1%		2021: N10,484			
Interswitch Limited						Average EBITDA multiple of peers	2022: 5%	2022: N8,531
		2021: 5%		Market approach	2021: Nil			
Investment								
WSTC Financial Services Limited						Cost of capital (16.78%)	2022: 5%	2022: N1,863
		2021: 5%		Income approach	2021: N4,887	Dividend growth rate (7.62)		
			2022: 5%		2022: N501			
			2021: 5%		2021: N3,175			
Energy and Allied Insurance Pool of Nigeria						Discount for lack of liquidity -		2022: N20,381
				Adjusted NAV 2021: N17,025			Unappropriated reserves	

Group *In thousands of naira*	**2022**	**2021**
Financial assets measured at fair value		
Quoted prices in active markets (level 1)	82,965,642	68,522,517
Valuation technique:		-
Market observable data (level 2)	-	-
Other than observable market data (level 3)	2,233,749	986,138
	85,199,391	69,508,655
Financial assets measured at amortised cost		
Amortised cost	51,245,130	44,031,311
	51,245,130	44,031,311

Company		
Financial assets measured at fair value		
Quoted prices in active markets (level 1)	528,078	1,101,825
Valuation technique:		
Market observable data (level 2)	-	-
Other than observable market data (level 3)	-	-
	528,078	1,101,825
Financial assets measured at amortised cost		
Amortised cost	2,923,160	3,981,822
	2,923,160	3,981,822

55.11 Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

Financial instruments in 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 company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities.

Financial instruments in 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.

Financial instruments in level 3

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.

The following table shows an analysis of financial instruments recorded at fair value or whose fair values are disclosed by level of the fair value hierarchy:

31 December 2022 - Group

In thousands of naira	Level 1	Level 2	Level 3	Total
Items measured at fair value				
Financials assets at FVTPL				
- Quoted equities	82,977,625	-	-	82,977,625
Financials assets at FVTOCI				-
- Quoted equities	11,983	-	-	11,983
- Unquoted equities	-	-	2,245,732	2,245,732
Freehold properties	-	-	11,901,485	11,901,485
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	-	51,245,130	51,245,130

31 December 2021 - Group

In thousands of naira				
Items measured at fair value				
Financials assets at FVTPL				
- Quoted equities	68,536,913	-	-	68,536,913
Financials assets at FVTOCI				-
- Quoted equities	14,396	-	-	14,396
- Unquoted equities	-	-	1,391,534	1,391,534
Freehold properties	-	-	11,760,655	11,760,655
Items whose fair values are disclosed				-
Debt instruments at amortised cost	-	-	44,031,311	44,031,311

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	Group	
In thousands of naira	2022	2021
At 1 January	1,391,534	1,679,392
Acquisition	841,895	-
Accrued Interest	108	-
Fair value gain/(loss) recognised in OCI	316,047	(107,103)
Sales	(303,852)	(180,755)
At 31 December	2,245,732	1,391,534

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In thousands of naira	Level 1	Level 2	Level 3	Total
Items measured at fair value				
Financials assets at FVTPL				
- Equities	528,078	-	-	528,078
Financials assets at FVTOCI				
- Equities	-	-	391,000	391,000
Items whose fair values are disclosed				
Debt instruments at amortised cost	2,923,160	-	-	2,923,160

31 December 2021 - Company

In thousands of naira	Level 1	Level 2	Level 3	Total
Items measured at fair value				
Financials assets at FVTPL				
- Equities	1,101,825	-	-	1,101,825
Financials assets at FVTOCI				
- Equities	-	-	391,000	391,000
Items whose fair values are disclosed				
Debt instruments at amortised cost	3,981,822	-	-	3,981,822

Fair value of financial assets

In thousands of naira	2022 Carrying value	2022 Fair value	2021 Carrying value	2021 Fair value
Group				
Financial assets				
Financials assets at FVTPL	82,977,625	82,977,625	68,536,913	68,536,913
Financials assets at FVTOCI	2,245,732	2,245,732	1,391,534	1,391,534
Debt instruments at amortised cost	51,244,163	42,782,299	44,031,311	42,782,299
Company				
Financials assets at FVTPL	528,078	528,078	1,101,825	1,101,825
Financials assets at FVTOCI	391,000	391,000	391,000	391,000
Debt instruments at amortised cost	2,923,160	4,043,508	3,981,822	4,043,508

55.12 Future outlook

The Group has succeeded in establishing a robust enterprise risk management framework, practice, culture and environment beyond complying with regulatory requirements. However, this is a continuous and on-going process which is being improved upon consistently.

The ultimate goal is to make risk management a value driver that enhances and contributes to stakeholders' value and the long-term existence and survival of the institution.

Some of the key initiatives and projects to be embarked upon to ensure a better and more efficient risk management framework are;

- Sourcing of a risk solution that has capacity to support the management of insurance risks, operational risk, credit risk and market risk in line with best practices and ultimately complying with risk-based capital regulation in anticipation.
- Structuring a business continuity management framework and infrastructure.
- On-going aggressive Group-wide risk awareness campaign to increase employees' risk-awareness level, competence and involvement in managing risks.

56 Contravention

The Group incurred and paid the sum of N500,000(2021:Nil) as a penalty for a contravention during the year.

	2022 ₦'000	2021 ₦'000
Violation of Section 49(3)(a) of the NAICOM Act 1997.	500	-

OTHER NATIONAL DISCLOSURES

Statement of value added

In thousands of naira	Group 2022	%	Group 2021	%	Company Group	%	Company 2021	%
Interest income	15,128,685		11,599,419		503,752		280,187	
Other investment and sundry income	87,946,745		74,140,915		6,499,265		5,736,861	
	103,075,430		85,740,334		7,003,017		6,017,048	
Reinsurance expense	(27,268,775)		(25,346,914)		-		-	
Net claims and underwriting expenses	(42,947,094)		(21,693,403)		-		-	
Other operating expenses - Local	(14,400,688)		(22,279,981)		(499,953)		2,171,693	
Value added	**18,458,873**	**100**	**16,420,036**	**100**	**6,503,064**	**100**	**8,188,741**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and benefits	3,886,675	21	3,617,655	22	797,610	12	735,653	9
To pay Government:								
Current income tax expense	2,665,389	15	1,700,684	10	651,672	10	573,978	7
Retained for asset replacement and future expansion of business:								
- Depreciation and amortization	795,765	4	596,434	4	81,712	2	44,660	1
- Deferred tax	(50,926)	-	450,618	3	12,075	-	256,690	3
- Profit for the year	11,161,970	60	10,054,645	61	4,959,995	76	6,577,760	80
	18,458,873	**100**	**16,420,036**	**100**	**6,503,064**	**100**	**8,188,741**	**100**

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

Five-Year Financial Summary

STATEMENT OF FINANCIAL POSITION - GROUP

In thousands of naira	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	22,044,849	17,176,184	13,743,138	9,362,870	11,745,027
Trade receivables	1,653,611	174,759	417,905	134,664	374,147
Financial assets	136,467,520	113,959,758	112,826,983	81,156,589	59,189,847
Reinsurance assets	9,394,263	8,252,161	7,877,993	9,151,153	9,213,300
Inventory	5,265,758	6,084,508	4,270,906	-	-
Deferred acquisition costs	987,566	784,693	662,830	667,740	728,440
Other receivables and prepayments	5,846,664	6,022,573	7,045,422	2,655,370	2,463,637
Right-of-use assets	28,397	69,862	80,275	3,278	-
Investments in joint ventures	125,647	130,393	130,393	-	-
Investment in associates	3,290,257	4,801,675	4,730,728	547,847	543,466
Assets of disposal group classified as held for sale	-	8,086,683	8,140,686	-	-
Investment properties	11,901,485	11,760,655	11,063,550	9,276,977	9,146,905
Property, plant and equipment	13,279,230	4,696,005	4,445,995	4,278,501	3,916,862
Intangible assets	239,712	172,486	159,108	222,781	300,338
Statutory deposits	2,672,415	2,299,144	560,000	560,000	500,000
Deferred tax assets	-	-		-	-
Total assets	**213,197,374**	**184,471,539**	**176,155,912**	**118,017,770**	**98,121,969**
Liabilities					
Insurance contracts liabilities	100,079,820	85,036,841	89,542,143	59,072,075	42,058,277
Investment contract liabilities	9,070,212	8,616,195	6,072,622	3,985,348	3,089,658
Interest bearing Loans and Borrowings	2,179,173	2,516,621	5,422,500		
Lease liabilities	-	-		744	-
Liabilities of disposal group classified as held for sale/distribution to owners	-	1,187,895	946,620	-	-
Trade payables	12,134,504	8,618,952	4,627,571	3,323,126	5,413,308
Other payables	11,637,870	10,081,790	8,685,008	3,385,347	2,994,150
Current income tax	3,346,153	1,941,504	1,694,459	2,114,754	1,832,290
Deferred tax liabilities	2,066,875	2,134,377	1,658,606	1,397,066	1,235,200
Total liabilities	**140,514,607**	**120,134,175**	**118,649,529**	**73,278,460**	**56,622,883**
Equity					
Share capital	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	6,412,357	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	39,114,585	31,653,284	25,379,761	23,132,865	20,366,425
Contingency reserve	13,594,424	12,961,014	11,679,092	10,315,451	9,175,506
Fair value reserve	477,604	504,196	538,075	364,235	1,155,831
Asset revaluation reserve	630,498	685,081	698,693	550,273	489,585
Equity attributable to owners of the parent	63,170,401	55,156,865	47,648,911	43,716,114	40,540,637
Non-controlling interests	9,512,366	9,180,499	9,857,472	1,023,196	958,449
Total equity	**72,682,767**	**64,337,364**	**57,506,383**	**44,739,310**	**41,499,086**
Total liabilities and equity	**213,197,374**	**184,471,539**	**176,155,912**	**118,017,770**	**98,121,969**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

In thousands of naira	2022	2021	2020	2019	2018
Profit before income tax expense	13,776,433	12,322,233	13,686,047	8,069,573	9,500,710
Income tax expense	(2,614,463)	(2,151,302)	(869,935)	(2,057,794)	(2,387,519)
Profit from continuing operation	11,161,970	10,170,931	12,816,112	6,011,779	7,113,191
Loss from discontinued operation	-	(116,286)	(101,617)		
Other comprehensive income/(loss) for the year, net of tax	35,650	(116,132)	322,260	89,034	477,074
Total comprehensive income for the year	11,197,620	9,938,513	13,036,755	6,100,813	7,590,265
Total comprehensive income attributable to;					
- Owners of the parent	10,762,953	10,563,775	11,706,533	5,822,197	7,294,688
- Non-controlling interests	434,667	(625,262)	1,303,222	278,616	295,577
	11,197,620	9,938,513	13,009,755	6,100,813	7,590,265
Basic earnings per share (kobo)	181	183	196	97	116
Net assets per share (kobo)	1,236	937	810	761	706

Note: Basic earnings per share have been computed respectively for each year on the profit after tax and number of ordinary shares in issue, less treasury shares, if any, at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.

Five-Year Financial Summary

STATEMENT OF FINANCIAL POSITION - COMPANY

In thousands of naira	**2022**	**2021**	**2020**	**2019**	**2018**
Assets					
Cash and cash equivalents	1,855,128	601,326	1,654,286	1,524,554	192,180
Financial assets	3,842,238	5,474,647	2,567,836	3,094,589	4,573,652
Other receivables and prepayments	2,334,405	1,904,939	2,468,286	3,268,155	1,555,464
Investment in subsidiaries	15,373,012	15,373,012	15,254,287	8,410,669	8,410,669
Investment in associates	3,109,987	525,364	525,364	525,364	525,364
Investment properties	7,081,416	7,081,066	4,636,980	4,636,980	4,636,980
Property, plant and equipment	401,425	94,548	56,776	62,582	97,704
Intangible assets	16,755	25,132	-	-	-
Deferred tax assets	-	-	-	-	-
Total assets	**34,014,366**	**31,080,034**	**27,163,815**	**21,522,893**	**19,992,013**
Liabilities					
Other payables	1,523,843	1,258,315	1,035,072	939,164	805,274
Current income tax	1,294,989	657,323	563,773	629,711	600,875
Deferred tax liabilities	636,163	624,088	367,398	307,001	165,141
Total liabilities	3,454,995	2,539,726	1,966,243	1,875,876	1,571,290
Equity					
Issued share capital	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	6,412,357	6,412,357	6,412,357	6,412,357	6,412,357
Retained earnings	21,206,081	19,187,018	15,844,282	10,293,727	9,067,433
Other components of equity	-	-	-	-	-
Total equity	30,559,371	28,540,308	25,197,572	19,647,017	18,420,723
Total liabilities and equity	**34,014,366**	**31,080,034**	**27,163,815**	**21,522,893**	**19,992,013**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

In thousands of naira	**2022**	**2021**	**2020**	**2019**	**2018**
Profit before income tax expense	5,623,742	7,408,428	8,204,398	4,796,380	4,821,499
Income tax expense	(663,747)	(830,668)	(7,004)	(923,248)	(970,368)
Profit for the year	4,959,995	6,577,760	8,197,394	3,873,132	3,851,131
Total comprehensive income for the year net of tax	4,959,995	6,577,760	8,197,394	3,873,132	3,851,131
Basic and diluted earnings per share (kobo)	84	112	139	66	65
Net assets per share (kobo)	520	485	428	334	313

Note: Basic earnings per share have been computed respectively for each year on the profit after taxation and number of ordinary shares in issue, less treasury shares, if any, at the end of each year. The net assets per share are based on the number of issued 50 Kobo ordinary shares at the end of each year.