



Unaudited Financial Statements
for the Period Ended
31 March, 2022

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FINANCIAL HIGHLIGHTS	31 Mar 2022	31 Mar 2021	Changes
	₦'000	₦'000	(%)
Comprehensive income statement			
Gross premium written	4,614,210	3,984,236	16
Gross premium income	2,789,967	2,255,912	24
Net premium income	1,551,142	1,238,773	25
Underwriting Profit/(Loss)	193,060	(480,080)	>100
Investment and other income	560,673	95,272	488
Profit /(Loss) before taxation	<u>157,269</u>	<u>(949,528)</u>	>100
Profit/(Loss) after taxation	<u><u>149,406</u></u>	<u><u>(902,052)</u></u>	>100
Statement of financial position			
Total assets	42,026,936	38,710,185	9
Insurance contract liabilities	13,412,080	11,635,256	15

Key Ratios	31 Mar 2022	31 Mar 2021
	%	%
Claims ratio	12	31
Claims ratio (net)	33	86
Underwriting expenses ratio	22	21
Fees and Commission income ratio	14	17
Management expenses ratio	13	14
Underwriting Profit margin	4	(12)

Our Performance

Gross premium written grew by 16% to N4.61billion as at March 2022 from N3.98billion recorded in prior year comparative. The Company posted an underwriting profit of N193million on account of growth in premium revenue and a moderate claims cost. PBT stood at N157million as at Q1 2022 against N949 million loss in the prior period.

Shareholding Structure/Free Float Status				
Description	31-Mar-22		31-Dec-21	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	14,000,000,000	100%	14,000,000,000	100%
Substantial Shareholdings (5% and above)				
Bayelsa State Ministry of Finance Incorporated	5,343,337,743	38.17%	5,343,337,743	38.17%
Stanbic IBTC Nominees	1,327,000,000	9.48%	1,327,000,000	9.48%
Total Substantial Shareholdings	6,670,337,743	47.65%	6,670,337,743	47.65%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Chief Joshua B. Fumudoh				
Mr. Tamunoye Alazigha				
Mrs. Funkazi Koroye-Crooks				
Mr. Maxwell Ebibai				
Mr. Olakunle Agbebi				
Mr. Bernard Griesel				
Mr. Daniel Braie				
Mr. Okanlawon Adelagun				
Total Directors' Shareholdings				
Other Influential Shareholdings				
Free Float in Units and Percentage	3,329,662,257	23.78%	3,329,662,257	23.78%
Free Float in Value	₦ 166,483,128.50		₦ 166,483,128.50	
Declaration:				
(A) Linkage Assurance Plc with a free float percentage of 23.78%.as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Linkage Assurance Plc with a free float value of N166,483,128.50 as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

Statement of financial position
As at 31 March 2022

In thousands of Naira

Assets	Note	31 Mar 2022	31 Dec 2021	Changes
				%
Cash and cash equivalents	7	3,154,216	3,476,697	(9)
Financial assets	8	28,305,710	27,584,351	3
Trade receivables	9	1,324,979	81,468	1,526
Reinsurance assets	10	5,639,453	4,639,643	22
Deferred acquisition cost	11	775,380	432,828	79
Other receivables and prepayments	12	584,801	333,655	75
Investment property	13	157,500	157,500	-
Intangible assets	14	33,853	36,866	(8)
Property and equipment	15	1,551,045	1,467,178	6
Statutory deposit	16	500,000	500,000	-
Total assets		42,026,936	38,710,185	9
Liabilities				
Insurance contract liabilities	17	13,412,080	11,635,256	15
Trade payables	19	2,221,455	765,141	190
Other payables	20	958,620	1,053,785	(9)
Defined benefit obligations	22	81,743	89,659	(9)
Current tax liabilities	23	68,120	60,257	13
Total liabilities		16,742,019	13,604,099	23
Equity				
Authorized share capital	25	15,000,000	7,000,000	-
Issued and fully paid share capital	25.1	7,000,000	7,000,000	-
Share premium	26	560,294	560,294	-
Contingency reserve	27	3,021,045	2,882,618	5
Retained earnings	28	(3,506,320)	(3,517,299)	-
Assets revaluation reserve	29	828,773	828,773	-
Re-measurement reserve	30.2	5,040	5,040	-
Fair value reserve	30.1	17,376,085	17,346,660	-
Total equity		25,284,917	25,106,086	1
Total liabilities and equity		42,026,936	38,710,185	9

The financial statements were approved on 28 April 2022 and signed on behalf of the Board of Directors

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082

Emmanuel Otitolaive
Chief Financial Officer
FRC/2014/ICAN/00000008524

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

**Statement of profit or loss and other comprehensive income
for the period ending March 31, 2022**

<i>In thousands of Naira</i>	Note	31 Mar 2022	31 Mar 2021	Changes %
Gross premium written	31	4,614,210	3,984,236	16
Unearned premium	32	(1,824,243)	(1,728,324)	6
Gross premium income	32	2,789,967	2,255,912	24
Reinsurance expenses	33	(1,238,825)	(1,017,139)	22
Net premium income		1,551,142	1,238,773	25
Fees and commission income	34	173,491	169,659	2
Net underwriting income		1,724,633	1,408,432	22
Net claims expenses	35	(505,876)	(1,070,009)	(53)
Underwriting expenses	36	(1,025,697)	(818,503)	25
Underwriting Profit/(Loss)		193,060	(480,080)	>100
Investment income	37	373,329	987,735	(62)
Net fair value (loss)/gains on financial assets at fair value through profit or	38	108,639	(907,431)	112
Other operating income/(loss)	39	78,705	14,968	426
Management expenses	41	(596,464)	(564,720)	6
Profit /(Loss) before taxation		157,269	(949,528)	>100
Income taxes	23.1	(7,863)	47,476	(117)
Profit/(Loss) after taxation		149,406	(902,052)	>100
Other comprehensive income net of tax				
Items that will be reclassified subsequently to profit or loss:				
Net fair value gain/(loss) on available-for-sale financial assets	42	29,425	7,092	
Total other comprehensive income, net of tax		29,425	7,092	
Items that will not be reclassified subsequently to profit or loss				
Other comprehensive (loss)/income, net of taxes		29,425	7,092	-
Total comprehensive income for the year		178,831	(894,960)	(120)
Basic and diluted earnings per share (kobo)	43	1.1	(9.0)	-

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

**Statement of changes in equity
for the period ending March 31, 2022**

<i>In thousands of naira</i>	Asset							Total
	Share capital	Share premium	Contingency Reserve	revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	
At 1 January 2022	7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,298)	25,106,086
Comprehensive income								
(Loss)/Profit for the year	-	-	-	-	-	-	149,406	149,406
Other comprehensive income:								
Net fair value changes on AFS financial assets	-	-	-	-	-	29,425	-	29,425
Total comprehensive income	-	-	-	-	-	29,425	149,406	178,831
Transfer from share premium	-	-	-	-	-	-	-	-
Transfer to contingency reserve	-	-	-	-	-	-	(138,427)	(138,427)
Transfer from retained earnings	-	-	138,427	-	-	-	-	138,427
	-	-	138,427	-	-	-	(138,427)	-
At 31 March 2022	7,000,000	560,294	3,021,045	828,773	5,040	17,376,085	(3,506,320)	25,284,917

Statement of changes in equity for the year ended 31 December 2021

<i>In thousands of naira</i>	Asset							Total
	Share capital	Share premium	Contingency Reserve	revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	
At 1 January 2021	5,000,000	729,044	2,547,773	828,773	13,244	13,948,807	3,308,184	26,375,825
Comprehensive income								
Profit for the year	-	-	-	-	-	-	(3,990,638)	(3,990,638)
Other comprehensive income:								
Remeasurement of defined benefit obligation	-	-	-	-	(8,204)	-	-	(8,204)
Net fair value changes on AFS financial assets	-	-	-	-	-	3,397,853	-	3,397,853
Total comprehensive income	5,000,000	729,044	2,547,773	828,773	5,040	17,346,660	(682,454)	25,774,835
Transfer from share premium	-	(168,750)	-	-	-	-	-	(168,750)
Transfer from retained earnings	2,000,000	-	334,845	-	-	-	(2,000,000)	334,845
Transfer to contingency reserve	-	-	-	-	-	-	(334,845)	(334,845)
	2,000,000	(168,750)	334,845	-	-	-	(2,334,845)	(168,750)
Transactions with owners of the Company								
Dividend paid	-	-	-	-	-	-	(500,000)	(500,000)
At 31 December 2021	7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,298)	25,106,086

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

**Statement of cash flows
for the period ending March 31, 2022**

	Note	31 Mar 2022 N'000	31 Dec 2021 N'000
Cash flows from operating activities			
Premiums received from policy holders	44(b)	3,364,291	11,141,069
Premiums received in advance	19.1	6,408	60,454
Deposit without details	20.2(a)	47,497	278,591
Reinsurance payments	44(d)	(1,049,898)	(4,997,642)
Claims paid	35	(619,559)	(3,989,302)
Reinsurance claim recoveries	44(c)	138,932	1,699,447
Salvage recovery	44(c)	59,611	63,146
Commission paid	44(e)	(1,211,633)	(3,115,123)
Maintenance expenses paid	41	(146,212)	(759,461)
Commission received	44(f)	389,153	803,447
Cash payment to and on behalf of employees	44(l)	(200,242)	(789,455)
Other operating cash payments	44(a)	(1,286,050)	(1,650,713)
Corporate tax paid	23	-	(134,032)
Net cash used in operating activities		<u>(507,702)</u>	<u>(1,389,574)</u>
Cash flows from Investing activities			
Purchase of properties and equipment	44(i)	(129,601)	(298,301)
Purchase of intangible assets	14	-	(47,759)
Proceeds from sale of property and equipment	44(j)	12,353	1,091
Purchase of investment securities	44(h)	(2,345,208)	(4,743,993)
Proceeds from sale of investment securities	44(h)	2,092,758	4,168,919
Proceeds from redemption	8.6	-	329,214
Loan repayments	44(h)	115,850	36,778
Dividend received	37	85,506	1,212,565
Rental income received	39	-	6,200
Interest received	44(g)	287,823	1,080,792
Net cash from investing activities		<u>119,481</u>	<u>1,745,506</u>
Financing activities			
Payment of finance lease liabilities	44(k)	-	(219)
Dividend paid	28	-	(500,000)
		<u>-</u>	<u>(500,219)</u>
Net (decrease) / increase in cash and cash equivalents		(388,221)	(144,287)
Cash and cash equivalents at the beginning of the period		3,476,697	3,592,711
Impact of exchange difference on cash held		65,740	28,273
Cash and cash equivalents at end of the period	7	<u>3,154,216</u>	<u>3,476,697</u>

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

Notes to the financial statements

5. Segment reporting

Operating segments

IFRS 8 Segment Reporting requires operating segments to be identified on the basis of internal reports of reportable segments that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. The Company's reportable segments under IFRS 8 are therefore identified as follows:

- Fire
- Accident
- Motor
- Marine
- Aviation
- Bond
- Engineering
- Oil & Gas

The following is an analysis of the Company's revenue and result by reportable segment for the period ending March 31, 2022

Income:	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross premium written	622,193	546,078	700,031	357,911	177,467	11,245	181,276	2,016,915	1,094	4,614,210
Net change in unearned premium	(107,899)	(267,903)	(174,593)	(143,362)	(27,708)	(3,530)	(47,686)	(1,056,872)	5,309	(1,824,245)
	514,294	278,175	525,438	214,549	149,759	7,715	133,590	960,043	6,403	2,789,965
Reinsurance Expenses	(482,544)	(272,912)	-	(164,563)	(295,772)	(4,485)	(110,124)	(1,083,016)	(315)	(2,413,731)
Movement in Prepaid-Reinsurance Cost	50,525	101,711	-	71,075	210,073	2,382	65,684	676,193	(2,737)	1,174,906
Re-insurance cost	(432,019)	(171,201)	-	(93,488)	(85,699)	(2,103)	(44,440)	(406,823)	(3,052)	(1,238,825)
Net premium income	82,275	106,974	525,438	121,061	64,060	5,612	89,150	553,220	3,351	1,551,140
Commission received	88,168	41,695	354	29,198	-	640	16,511	(3,895)	820	173,491
Net underwriting Income	170,443	148,669	525,792	150,259	64,060	6,252	105,661	549,325	4,171	1,724,630
Expenses:										
Gross Claims incurred	165,900	(174,316)	(206,111)	(92,042)	(27,840)	(57)	(68,234)	(110,074)	248	(512,526)
Recovery on Claims incurred	(171,931)	109,608	8,576	51,776	-	-	13,130	(4,010)	(498)	6,651
Net claims incurred	(6,031)	(64,708)	(197,535)	(40,266)	(27,840)	(57)	(55,104)	(114,084)	(250)	(505,875)
Acquisition cost	(98,336)	(74,866)	(84,766)	(56,517)	(26,914)	(1,402)	(26,089)	(231,401)	(1,133)	(601,424)
Maintenance expenses	(57,210)	(50,211)	(64,367)	(32,910)	(16,318)	(1,034)	(16,668)	(185,454)	(101)	(424,273)
	(161,577)	(189,785)	(346,668)	(129,693)	(71,072)	(2,493)	(97,861)	(530,939)	(1,484)	(1,531,572)
Segment underwriting profit/(loss)	8,866	(41,116)	179,124	20,566	(7,012)	3,759	7,800	18,386	2,687	193,060

The accounting policies of the reportable segments are the same as the Company's accounting policies.

Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

The revenue of marine & aviation segment does not meet the quantitative thresholds and therefore does not qualified as a reporting segment. The segments is accordingly reported as 'Others'.

31 Mar 2021

Income:	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	-	N'000
Gross premium written	521,531	435,956	683,054	339,605	218,297	6,215	108,849	1,666,281	4,448	3,984,236
Net change in unearned premium	(194,867)	(228,365)	(243,293)	(108,860)	(67,255)	(4,653)	23	(877,059)	(3,995)	(1,728,324)
	326,664	207,591	439,761	230,745	151,042	1,562	108,872	789,222	453	2,255,912
Reinsurance Expenses	(279,865)	(209,831)	-	(190,095)	(316,029)	(2,970)	(95,007)	(653,787)	(2,777)	(1,750,361)
Movement in Prepaid-Reinsurance Cost	54,330	97,415	(93)	50,183	189,555	2,137	36,247	300,933	2,515	733,222
Re-insurance cost	(225,535)	(112,416)	(93)	(139,912)	(126,474)	(833)	(58,760)	(352,854)	(262)	(1,017,139)
Net premium income	101,129	95,175	439,668	90,833	24,568	729	50,112	436,368	191	1,238,773
Commission Received	68,184	32,090	539	42,770	504	250	15,563	9,694	65	169,659
Net underwriting Income	169,313	127,265	440,207	133,603	25,072	979	65,675	446,062	256	1,408,432
Expenses:										
Acquisition cost	(71,958)	(49,139)	(65,271)	(58,385)	(22,905)	(279)	(17,151)	(174,556)	(18)	(459,662)
Gross Claims incurred	(293,063)	(126,224)	(230,230)	(52,995)	(144,889)	(103)	11,936	(404,564)	-	(1,240,132)
Recovery on Claims incurred	157,886	(20,433)	(4,798)	19,671	50,000	-	(36,150)	3,948	-	170,124
Net claims incurred	(135,177)	(146,657)	(235,028)	(33,325)	(94,889)	(103)	(24,214)	(400,616)	-	(1,070,009)
Maintenance expenses	(46,972)	(39,264)	(61,519)	(30,587)	(19,661)	(560)	(9,804)	(150,074)	(401)	(358,841)
	(254,107)	(235,060)	(361,818)	(122,297)	(137,455)	(942)	(51,169)	(725,246)	(419)	(1,888,512)
Segment underwriting profit/(loss)	(84,794)	(107,795)	78,389	11,306	(112,383)	37	14,506	(279,184)	(163)	(480,080)

Notes to the financial statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

The objective of our capital management is to ensure that the Company is adequately capitalized at all times, even after experiencing significant adverse events. In addition, we seek to optimize the structure and sources of our capital to ensure that it consistently delivers maximum returns to our shareholders and guarantees adequate protection of our policyholders.

Our capital management policy is to hold sufficient capital to meet regulatory capital requirements (RCR) and also to sufficiently accommodate our risk exposures as determined by our risk appetite. Other objectives include to:

- maintain the required level of capital that guarantee security to our policyholders;
- maintain financial strength that would support business growth in line with strategy;
- maintain strong credit ratings and healthy capital ratios to support business objectives;
- retain financial flexibility by maintaining strong liquidity and consistent positive equity returns;
- allocate capital efficiently to ensure that returns on capital employed meet the requirements of capital providers and shareholders.

Our approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence our capital position in the light of changes in economic and market conditions, and risk characteristics.

The primary source of capital used is equity shareholders' funds. In addition, we utilize adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The Company has had no significant changes in its policies and processes to its capital structure during the period.

Analysis of shareholders funds	31 Mar 2022	31 Dec 2021
<i>In thousand of Naira</i>		
Total assets	42,026,936	38,710,185
Less: Total liabilities	16,742,019	13,604,099
Shareholders funds as at year end	25,284,917	25,106,086
Adjustment for non-capital items	809,233	469,694
Available capital resources	24,475,684	24,636,392
Changes in available capital	-1%	14%

The Company's available capital is based on the shareholders' equity/fund as adjusted to reflect the full economic capital base available to absorb any unexpected volatility in results of operations. Thus, available capital resources, after adjusting for non-capital assets, is N24,475,684,000 (2021: N24,636,392,000) amounting to a decrease over the comparative period.

The Minimum Capital Requirement

The statutory minimum capital requirement for Non-life business is N3billion.

<i>In thousands of naira</i>	31 Mar 2022	31 Dec 2021
Total shareholders' funds	25,284,917	25,106,086
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	22,284,917	22,106,086

Capitalisation rate	843%	837%
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NAICOM released a circular dated 3 June 2020 (NAICOM/DPR/CIR/25-04/2020) to all insurance and reinsurance companies in Nigeria. The circular indicated the difficulty to proceed with the 31 December 2020 recapitalization deadline due to the incidences of COVID-19 pandemic. The Commission extended and segmented the recapitalization process into two phases; general insurance business are required to meet 50% of the minimum capital requirement of N10bn by 31 December 2020 and have full compliance of the remaining balance by 30 September 2021. However, as at year end, The National House of Assembly suspended the directive of NAICOM as a relief due to the ongoing COVID-19 pandemic.

The solvency margin requirement

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against its risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater.

During the period, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Notes to the financial statements

The Company's solvency margin is as follows:

<i>In thousands of naira</i>	31 Mar 2022	31 Dec 2021
Assets		
Cash and cash equivalents	3,154,216	3,476,697
Financial assets	9,594,567	9,742,322
Trade receivables	1,324,979	81,468
Other receivables and prepayment	226,055	110,604
Reinsurance assets	5,619,711	4,577,086
Deferred acquisition cost	775,380	432,828
Property and equipment	1,354,026	1,268,982
Intangible Assets	33,853	36,866
Investment Property	157,500	157,500
Statutory deposit	500,000	500,000
Total admissible assets	22,740,287	20,384,353
Liabilities		
Insurance contract liabilities	13,412,080	11,635,256
Trade payables	2,215,047	765,141
Other payables	958,620	1,053,785
Defined benefit obligations	81,743	89,659
Current tax liabilities	68,120	60,257
Total admissible liabilities	16,735,610	13,604,098
Excess of total admissible assets over admissible liabilities (solvency margin)	6,004,677	6,780,255
Higher of (a) and (b):		
Gross premium income	2,789,967	10,454,408
Less: Reinsurance expense	(1,238,825)	(5,025,865)
Net premium	1,551,142	5,428,543
(a) 15% of net premium	232,671	814,281
(b) Minimum paid up capital	3,000,000	3,000,000
The higher thereof:	3,000,000	3,000,000
Excess of solvency margin over minimum capital base	3,004,677	3,780,255
Solvency margin ratio	200%	226%

6.2 Insurance risk

The Company issues contracts that transfer insurance risk. This section summarizes this risk and the way it is being managed.

(a) Types of insurance risk contracts

The Company principally issues the following types of general insurance contracts: Motor, Fire, General Accidents, Aviation, Marine, Engineering, Bond and Oil & Gas. The risks under this policies usually cover twelve months duration. The most significant risks in this policies arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks however do not vary significantly with the risk location, type of insured and industry.

(b) Management of insurance risk

The risks facing us in any insurance contract arise from fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations; unexpected claims arising from a single source or cause; inaccurate pricing of risks or inappropriate underwriting of risks when underwritten; and inadequate reinsurance protection or other risk transfer techniques.

The principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments, or its timing thereof, 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. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. In addition, the Company manages this risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Our insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Notes to the financial statements

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

The Company purchases reinsurance as part of its insurance risk mitigation programme. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Company should not suffer total net insurance losses in any one year. Amount recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

The Company has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments. Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

(c) Insurance risk concentration per policy type

Line of business	31 Mar 2022			31 Mar 2021		
	Gross premium	Reinsurance	Net	Gross premium	Reinsurance	Net
<i>In thousands of naira</i>						
Fire	622,193	(432,019)	190,174	521,531	(225,535)	295,996
Accident	546,078	(171,201)	374,877	435,956	(112,416)	323,540
Motor	700,031	-	700,031	683,054	(93)	682,961
Marine	357,911	(93,488)	264,423	339,605	(139,912)	199,693
Aviation	177,467	(85,699)	91,768	218,297	(126,474)	91,823
Bond	11,245	(2,103)	9,142	6,215	(833)	5,382
Engineering	181,276	(44,440)	136,836	108,849	(58,760)	50,089
Oil & Gas	2,016,915	(406,823)	1,610,092	1,666,281	(352,854)	1,313,427
Agric	1,094	(3,052)	(1,958)	-	-	-
	4,614,210	(1,238,825)	3,375,385	3,979,788	(1,016,877)	2,962,911

(d) Key Assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claims costs, claim handling costs, claim inflation factors and claims numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

(e) Sensitivity Analysis

The insurance claims liabilities above are sensitive to the key assumptions that follow. However, it has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity fund. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are not linear.

(f) Insurance risk concentration per policy type

Line of business	31 Mar 2022			31 December 2021		
	Gross outstanding claims	Reinsurance recoveries	Net liabilities	Gross outstanding claims	Reinsurance recoveries	Net liabilities
<i>In thousands of naira</i>						
Motor	741,815	52,837	688,978	733,533	61,282	672,251
Fire	4,080,800	2,124,800	1,956,000	4,365,472	2,331,389	2,034,083
General accident	1,182,377	506,884	675,494	1,162,590	472,037	690,553
Engineering	171,257	75,461	95,796	159,063	63,625	95,438
Marine	340,485	91,542	248,944	277,074	50,657	226,416
Bond	2,468	-	2,468	2,411	-	2,411
Aviation	153,473	20,584	132,889	128,624	20,584	108,040
Oil & Gas	2,143,430	768,925	1,374,505	2,034,038	772,935	1,261,103
Agric	5,414	2,673	2,741	6,135	3,476	2,659
	8,821,521	3,643,706	5,177,815	8,868,941	3,775,987	5,092,955

Notes to the financial statements

7 Cash and cash equivalents

Cash and cash equivalents comprise:	31 Mar 2022	31 Dec 2021
	N'000	N'000
Cash in hand	299	445
Balances with banks & other financial institutions (see (b) below)	3,239,025	3,603,673
	<u>3,239,324</u>	<u>3,604,118</u>
Allowance for impairment (see (a) below)	(85,109)	(127,421)
Cash and bank balance as at year end	<u>3,154,216</u>	<u>3,476,697</u>

(a) Allowance for impairment

Balance as at the beginning of the year	127,421	127,421
Addition	-	-
Balance as at the end of the year (see '(c) below for details)	<u>127,421</u>	<u>127,421</u>

(b) These are cash balances and short-term placements with banks and other financial institutions with tenor of 90 days or less. Cash & cash equivalents are 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, and have a maturity of three months or less from the date of acquisition.

(c) Amount relates to short term investments with Resort Savings and Loans (N75.1 million), Triumph Bank (N20.1 million), Profound Finance and Investment Ltd (N9.5 million), Assurance bank (N9.3million), Centre Point Merchant Bank (N7.4 million) and others (N6 million) which are fully impaired and their recoverability are in doubt.

8 Financial assets

The Company's financial assets comprise fair value through profit or loss financial assets, available-for-sale financial assets, loans and receivables and unquoted equity at cost.

	31 Mar 2022	31 Dec 2021
	N'000	N'000
Fair value through profit or loss (note 8.1)	4,244,368	5,050,881
Available-for-sale (note 8.2)	19,807,200	18,701,618
Loans and receivables (note 8.5)	371,764	141,658
Held to maturity (note 8.6)	3,882,378	3,690,194
	<u>28,305,710</u>	<u>27,584,351</u>

Financial instrument classification

	31 Mar 2022				
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
<i>In thousands of Naira</i>					
- Listed	4,244,368	2,115,171	-	810,410	7,169,949
- Unlisted	-	17,692,029	-	3,071,968	20,763,997
- Other financial assets	-	-	371,764	-	371,764
	<u>4,244,368</u>	<u>19,807,200</u>	<u>371,764</u>	<u>3,882,378</u>	<u>28,305,710</u>
Within one year	4,244,368	-	371,764	3,882,378	8,498,510
More than one year	-	19,807,200	-	-	19,807,200
	<u>4,244,368</u>	<u>19,807,200</u>	<u>371,764</u>	<u>3,882,378</u>	<u>28,305,710</u>

Financial instrument classification

	31 Dec 2021				
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
<i>In thousands of Naira</i>					
- Listed	5,050,881	859,589	-	810,410	6,720,880
- Unlisted	-	17,842,029	-	2,879,784	20,721,813
- Other financial assets	-	-	141,658	-	141,658
	<u>5,050,881</u>	<u>18,701,618</u>	<u>141,658</u>	<u>3,690,194</u>	<u>27,584,351</u>
Within one year	5,050,881	-	141,658	3,690,194	8,882,733
More than one year	-	18,701,618	-	-	18,701,618
	<u>5,050,881</u>	<u>18,701,618</u>	<u>141,658</u>	<u>3,690,194</u>	<u>27,584,351</u>

8.1 Fair value through profit or loss

The movement in the investment at fair value through profit or loss is as follows:

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Balance as at the beginning of the year	5,050,881	8,655,489
Addition during the year	1,283,910	1,832,801
Disposal during the year	(2,199,061)	(4,168,919)
	<u>4,135,730</u>	<u>6,319,371</u>
Fair value (loss)/gain	108,639	(1,268,490)
Balance as at the end of the year	<u>4,244,368</u>	<u>5,050,881</u>

The fair value of quoted financial instruments is determined by reference to published price quotations in an active market. The resulting fair value changes have been recognized in profit or loss.

Notes to the financial statements

8.2 Available for sale

Available for sale financial assets comprise:

In thousands of Naira

	31 Mar 2022	31 Dec 2021
Unquoted equities - at FVTOCI (see (a) below)	17,628,000	17,628,000
Equity mutual funds	1,096,057	859,589
Bonds at FVTOCI	1,019,114	150,000
Unquoted equities - at cost	64,029	64,029
	19,807,200	18,701,618

(a) The unquoted equities carried at fair value above represent the 117,647,058 ordinary shares of N1 each of Stanbic IBTC Pension Managers Limited held by Linkage Assurance Plc.

Summary of Significant Assumptions

Description	31-Mar-22	31-Dec-21
Growth in gross income (GI)	12	12
Operating expenses / Gross income %	30	30
Depreciation and amortization	2	2
Effective tax rate (Tax / Profit)	33	33
Capital expenditure / Gross income % over the next 5	18, 30, 2, 2, 2	18, 30, 2, 2, 2
Perpetual growth rate %	6.79	6.79
Period counts over the next 5 years	0.5, 1.5, 2.5, 3.5, 4.5	0.5, 1.5, 2.5, 3.5, 4.5
Expected market rate of return	23.33	23.33
Risk-free rate %	13.28	13.28
Market risk premium %	10.05	10.05
Beta	1	1
Weighted average cost of	23.33	23.33
Equity value of Stanbic IBTC	187.377	187.377
Illiquidity discount %	20	20
Value of Linkage Assurance	N17.628 billion	N17.628 billion

The analysis below shows the changes in equity value of Stanbic IBTC Pension Managers Limited's (SIPML) with respect to changes in weighted average cost of capital (WACC) and the terminal growth rate of free cash flow (FCF).

Sensitivity Analysis

At 31 March 2022

		Equity Value (N million)						
		Terminal growth rate of FCF						
		5.29%	5.79%	6.29%	6.79%	7.29%	8.29%	8.79%
W A C C	21.33%	200,581	204,791	209,281	214,080	219,220	230,685	237,103
	21.83%	194,251	198,150	202,300	206,726	211,456	221,965	227,824
	22.33%	188,301	191,919	195,763	199,853	204,216	213,874	219,238
	22.83%	182,698	186,061	189,628	193,417	197,450	206,347	211,272
	23.33%	177,413	180,545	183,860	187,377	191,112	199,328	203,860
	23.83%	172,419	175,341	178,429	181,698	185,164	192,767	196,948
	24.33%	167,695	170,424	173,304	176,349	179,572	186,622	190,487
	24.83%	163,219	165,772	168,463	171,303	174,305	180,854	184,435
	25.33%	158,972	161,364	163,882	166,535	169,336	175,431	178,754

At 31 December 2021

		Equity Value (N million)						
		Terminal growth rate of FCF						
		5.29%	5.79%	6.29%	6.79%	7.29%	8.29%	8.79%
W A C C	21.33%	200,581	204,791	209,281	214,080	219,220	230,685	237,103
	21.83%	194,251	198,150	202,300	206,726	211,456	221,965	227,824
	22.33%	188,301	191,919	195,763	199,853	204,216	213,874	219,238
	22.83%	182,698	186,061	189,628	193,417	197,450	206,347	211,272
	23.33%	177,413	180,545	183,860	187,377	191,112	199,328	203,860
	23.83%	172,419	175,341	178,429	181,698	185,164	192,767	196,948
	24.33%	167,695	170,424	173,304	176,349	179,572	186,622	190,487
	24.83%	163,219	165,772	168,463	171,303	174,305	180,854	184,435
	25.33%	158,972	161,364	163,882	166,535	169,336	175,431	178,754

Notes to the financial statements

8.5 Loans and receivables

	31 Mar 2022	31 Dec 2021
	N'000	N'000
<i>In thousands of Naira</i>		
Due from third parties (see note a below)	315,898	200,048
Loan to staff	139,116	32,230
Loan to policy holders	13,655	13,655
Ex-staff loans	36,280	36,863
	<u>504,949</u>	<u>282,796</u>
Allowance for impairment	(133,185)	(141,138)
	<u>371,764</u>	<u>141,658</u>

(a) Breakdown of Due from third parties

	31 Mar 2022	31 Dec 2021
	N'000	N'000
<i>Name of third parties</i>		
<i>In thousand of Naira</i>		
Lease Fin. - Olumegbon	297	297
Tsf Fin. - Lease Fin.	927	927
Pine Hill Leasing	115,137	39,793
Lease-Glc Resources	4,374	4,374
Konikolo Trust Fund	49,087	49,087
Sunfair Comm. Prod. Ltd	1,500	1,500
Aquila Leasing Ltd.	45,484	58,020
Taxaide Global	34,092	46,050
Credit Capital	65,000	-
Total	<u>315,898</u>	<u>200,048</u>

8.6 Held to maturity

	31 Mar 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Balance at the beginning of the year	3,701,386	1,520,658
Redemption/Repayment during the year	-	(329,214)
Additions during the period	192,184	2,509,942
	<u>3,893,570</u>	<u>3,701,386</u>
Impairment loss	(11,192)	(11,192)
Balance at the end of the year	<u>3,882,378</u>	<u>3,690,194</u>

9 Trade receivables

	31 Mar 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Due from broker	1,324,979	81,468
	<u>1,324,979</u>	<u>81,468</u>

9.1 Analysis of debtors in days

	31 Mar 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Within 30 days	1,324,979	81,468
	<u>1,324,979</u>	<u>81,468</u>

10 Reinsurance assets

	31 Mar 2022	31 Dec 2021	Changes
<i>In thousands of Naira</i>			
Prepaid reinsurance (note 10(a))	1,976,004	801,100	1,174,904
Reinsurance recoverable on outstanding claims (note 10(b))	2,873,789	3,006,069	(132,280)
Due from Reinsurers (see note (i) below)	19,742	62,557	(42,815)
Reinsurance projection on IBNR (note 10(c))	769,917	769,917	-
	<u>5,639,453</u>	<u>4,639,643</u>	<u>999,809</u>

(i) This represents amount due from reinsurers on claims paid during the year.

(a) Movement in prepaid reinsurance costs

	31 Mar 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Balance at the beginning of the year	801,100	852,723
Additions during the year	2,413,729	4,974,242
Reinsurance expense in the year (see note 33.1)	(1,238,825)	(5,025,865)
Balance at the end of the year	<u>1,976,004</u>	<u>801,100</u>

(b) Movement in reinsurance recoverable on outstanding claims

	31 Mar 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Balance at the beginning of the year	3,006,069	1,239,009
Recoveries during the year (see note 17.1(a))	(132,280)	1,767,060
Balance at the end of the year	<u>2,873,789</u>	<u>3,006,069</u>

Notes to the financial statements

(c) Movement in reinsurance recoverable on IBNR projection

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Balance at the beginning of the year	769,916	144,014
Changes during the year (see note 17.1(c))	-	625,902
Balance at the end of the year	769,916	769,916

Reinsurance assets are valued after an allowance for recoverability has been assessed.

10.1 Breakdown of prepaid reinsurance is as follows:

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Motor	-	-
Fire	372,292	321,768
General accident	209,261	107,551
Engineering	120,996	55,312
Marine	171,608	100,533
Bond	2,993	611
Aviation	242,418	32,345
Agric	7,311	10,049
Oil & Gas	849,124	172,931
	1,976,004	801,100

11 Deferred acquisition cost

11.1 Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Motor	95,181	75,824
Fire	124,431	103,596
Accident	92,545	41,223
Engineering	36,009	26,711
Marine	59,849	33,677
Bond	620	182
Aviation	19,113	13,407
Oil & Gas	345,640	135,247
Agric	1,992	2,961
	775,380	432,828

11.2 Movement in the deferred acquisition costs

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Balance at the beginning of the year	432,828	328,812
(Decrease) / increase during the year (see note 36.1)	342,551	104,016
Balance at the end of the year	775,380	432,828

12 Other receivables and prepayments

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Prepayments (see (a) below)	437,849	204,565
Other receivables (see (b) below)	153,163	135,301
	591,012	339,866
Allowance for impairment	(6,211)	(6,211)
	584,801	333,655

(a) Prepayments

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Prepaid staff benefits	226,055	110,604
Deposits with stock broker	2,602	2,602
Prepaid rent	47,627	49,048
Other prepaid expenses	161,565	42,311
	437,849	204,565

(b) Other receivables

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Withholding tax recoverable	123,330	112,561
Sundry receivables (see (i) below)	29,833	22,740
	153,163	135,301
Allowance for impairment (see (ii) below)	(6,211)	(6,211)
	146,952	129,090

(i) This represents balance on contribution to claims pool.

(ii) The impairment allowance of N6.2 million represents impairment on deposits with stock brokers.

Notes to the financial statements

13 Investment properties

(a) The balance in this account can be analysed as follows:

S/N Location of asset	Carrying amount as at 1 January 2022	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 31 March 2022
	N'000	N'000	N'000	N'000	N'000	N'000
1 No. 9C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	3,750	78,750
2 No. 11C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	3,750	78,750
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>157,500</u>

The Company possess Deed of Conveyance for the investment properties 1 and 2 above.

(b) Reconciliation of carrying amount

In thousands of Naira

	31 Mar 2022	31 Dec 2021
Balance at the beginning of the year	157,500	150,000
Fair value gain/(loss)	-	7,500
Balance at the end of the year	<u>157,500</u>	<u>157,500</u>

(c) Measurement of fair values

(i) Fair value hierarchy of the investment properties are as follows:

<i>In thousands of Naira</i>	31 Mar 2022	31 Dec 2021
Level 1	-	-
Level 2	-	-
Level 3	157,500	157,500
	<u>157,500</u>	<u>157,500</u>

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property as at 31 December 2020, as well as the significant unobservable inputs used.

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

The valuation was done by Andy Bassey & Associate Estate Surveyors & Valuers with firm FRC number FRC/2012/00000000487.

The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363.

14 Intangible assets

In thousands of Naira

	31 Mar 2022	31 Dec 2021
Cost		
Balance at the beginning of the year	114,906	67,147
Addition during the year	-	47,759
Balance at the end of the year	<u>114,906</u>	<u>114,906</u>
Accumulated Amortisation		
Balance at the beginning of the year	78,040	65,948
Charge for the year	3,014	12,092
Balance at the end of the year	<u>81,053</u>	<u>78,040</u>
Net Book Value		
Balance at the end of the year	<u>33,853</u>	<u>36,866</u>

Notes to the financial statements

15 Property and equipment

31 Mar 2022

<i>In thousands of Naira</i>	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2022	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946
Additions	-	-	104,150	2,289	23,162	-	129,601
Disposal	-	-	(42,352)	(230)	(139)	-	(42,721)
31 Mar 2022	847,420	287,817	915,749	158,276	260,703	85,861	2,555,826
Accumulated depreciation							
At 1 January 2022	-	94,542	588,285	144,218	174,723	-	1,001,768
Charge for the year	-	1,176	34,730	1,412	8,416	-	45,733
Disposal	-	-	(42,352)	(230)	(139)	-	(42,721)
31 Mar 2022	-	95,718	580,663	145,399	183,000	-	1,004,780
Carrying amount							
31 Mar 2022	847,420	192,100	335,086	12,877	77,702	85,861	1,551,045
At 31 December 2021	847,420	193,276	265,665	12,000	62,956	85,861	1,467,178

Property and equipment

At 31 December 2021

<i>In thousands of Naira</i>	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2021	847,420	287,817	581,711	153,924	376,237	85,861	2,332,970
Additions	-	-	272,240	4,689	21,372	-	298,301
Disposal	-	-	-	(2,396)	(159,929)	-	(162,325)
Revaluation loss	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
At 31 December 2021	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946
Accumulated depreciation							
At 1 January 2021	-	89,837	452,187	140,572	300,858	-	983,454
Charge for the year	-	4,704	136,099	5,987	32,800	-	179,590
Disposal	-	-	-	(2,342)	(158,934)	-	(161,276)
At 31 December 2021	-	94,542	588,285	144,218	174,723	-	1,001,768
Carrying amount							
At 31 December 2021	847,420	193,276	265,665	12,000	62,957	85,861	1,467,178
At 31 December 2020	847,420	197,980	129,524	13,352	75,379	85,861	1,349,516

The fair value hierarchy of the property and equipment according IFRS 13 is shown below:

Class of PPE	31 March 2022			31 December 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>In thousands of Naira</i>						
Land	-	-	847,420	-	-	847,420
Building	-	-	192,100	-	-	193,276
Building (work in progress)	-	-	85,861	-	-	85,861
	-	-	1,125,381	-	-	1,126,557

In December 2020, the Company's land and buildings were revalued. The Company engaged the services of an independent valuer, Andy Bassey & Associate Estate Surveyors & Valuers (FRC/2012/NIESV/00000000363). The Company revalues its land and buildings every three years as stated in its accounting policy.

- There were no capitalized borrowing costs related to the acquisition of property and equipment during the year
- In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements as at year end.
- The Company had no capital commitments as at the reporting date (December 2021: nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at the period ended 31 March 2022 (December 2021: nil)
- An impairment assessment was conducted and no impairment indicator was identified.

Notes to the financial statements

16 Statutory deposit	31 Mar 2022	31 Dec 2021
	₦'000	₦'000
Statutory deposit with CBN	500,000	500,000

The statutory deposit represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act of Nigeria. The amount is not available for the day-to-day funding operations of the Company. It is therefore regarded as restricted cash. Subsequent to year end, a deposit of N200 million was made by the Company to the Central Bank of Nigeria on 7 January 2021 to increase its statutory deposit from N300 million to N500 million.

17 Insurance contract liabilities	31 Mar 2022	31 Dec 2021
	₦'000	₦'000
Provision for claims reported by policyholders (note 17.1(a))	5,994,766	6,107,518
Provision for IBNR (note 17.1(c))	2,826,755	2,761,423
Outstanding claims provision	8,821,521	8,868,941
Provision for unearned premium (note 17.2)	4,590,559	2,766,315
Total insurance contract liabilities	13,412,080	11,635,256

17.1 Analysis of claims reserve based on nature

	31 Mar 2022			31 Dec 2021		
<i>In thousands of Naira</i>	Gross claims	Reinsurance	Net	Gross claims	Reinsurance	Net
Reported claims (see (a) below)	5,994,766	2,873,789	3,120,977	6,107,518	3,006,069	3,101,449
IBNR (see (c) below)	2,826,755	769,917	2,056,838	2,761,423	769,917	1,991,506
	8,821,521	3,643,706	5,177,815	8,868,941	3,775,986	5,092,955

(a) The movement in claims reported by policy holders is shown below:

	31 Mar 2022			31 Dec 2021		
<i>In thousands of Naira</i>	Reported claims	Reinsurance	Net	Reported claims	Reinsurance	Net
Balance at the beginning of the year	6,107,518	3,006,069	3,101,449	2,774,646	1,239,009	1,535,637
Movement during the year	(112,752)	(132,280)	19,528	3,332,872	1,767,060	1,565,812
Balance at the end of the year	5,994,766	2,873,789	3,120,977	6,107,518	3,006,069	3,101,449

Analysis of outstanding claims per class of business:

	31 Mar 2022			31 Dec 2021		
<i>In thousands of Naira</i>	Gross Outstanding claims	Reinsurance recoveries	Net	Gross Outstanding claims	Reinsurance recoveries	Net
Motor	416,897	40,458	376,439	416,124	48,903	367,228
Fire	2,667,274	1,937,396	729,878	2,984,614	2,143,986	840,628
General accident	1,024,917	494,328	530,589	1,008,769	459,480	549,289
Engineering	138,674	85,635	53,039	127,234	73,800	53,435
Marine	258,516	78,967	179,549	196,999	38,081	158,912
Bond	-	-	-	-	-	-
Aviation	98,862	12,500	86,362	75,275	12,500	62,775
Oil & Gas	1,385,722	222,281	1,163,441	1,293,843	226,291	1,067,553
Agric	3,904	2,225	1,679	4,660	3,029	1,631
	5,994,766	2,873,789	3,120,977	6,107,518	3,006,069	3,101,449

(c) The movement in Incurred But Not Reported (IBNR) reserves is shown below:

	31 Mar 2022			31 Dec 2021		
<i>In thousands of Naira</i>	IBNR claims	Reinsurance	Net	IBNR claims	Reinsurance	Net
At the beginning of the year	2,761,423	769,917	1,991,506	894,791	144,014	750,777
Movement during the year	65,332	-	65,332	1,866,632	625,903	1,240,729
At the end of the year	2,826,755	769,917	2,056,838	2,761,423	769,917	1,991,506

Analysis of IBNR claims per class of business:

	31 Mar 2022			31 December 2021		
<i>In thousands of Naira</i>	IBNR claims	Reinsurance recoveries	Net	IBNR claims	Reinsurance recoveries	Net
Motor	324,918	12,379	312,539	317,409	12,379	305,030
Fire	1,413,526	187,404	1,226,122	1,380,857	187,404	1,193,454
General accident	157,460	12,557	144,903	153,821	12,557	141,264
Engineering	32,582	(10,174)	42,756	31,829	(10,174)	42,003
Marine	81,969	12,575	69,394	80,075	12,576	67,499
Bond	2,468	-	2,468	2,411	-	2,411
Aviation	54,612	8,084	46,528	53,350	8,084	45,266
Agric	1,510	448	1,062	1,475	448	1,028
Oil & Gas	757,708	546,644	211,064	740,196	546,644	193,552
	2,826,755	769,917	2,056,838	2,761,423	769,917	1,991,506

Notes to the financial statements

17.2 Breakdown of unearned premium per class of business:

	31-Mar-22			31-Dec-21		
	Unearned Premium	Prepaid Reinsurance	Net	Unearned Premium	Prepaid Reinsurance	Net
<i>In thousands of Naira</i>						
Motor	893,363	-	893,363	718,770	-	718,770
Fire	815,249	372,292	442,957	707,350	321,768	385,582
General accident	503,218	209,261	293,957	235,314	107,551	127,763
Engineering	194,612	120,996	73,616	146,925	55,312	91,613
Marine	335,075	171,608	163,467	191,713	100,533	91,180
Bond	4,684	2,993	1,691	1,154	611	543
Aviation	99,419	242,418	(142,999)	71,711	32,345	39,366
Oil & Gas	1,733,558	849,124	884,434	676,686	172,931	503,754
Agric	11,382	7,311	4,071	16,691	10,049	6,643
	4,590,559	1,976,004	2,614,555	2,766,315	801,100	1,965,215

(a) The movement in the unexpired risk reserves is shown below:

	31-Mar-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	2,766,315	801,100	1,965,215	2,059,224	852,723	1,206,501
Premium written in the year	4,614,210	2,413,729	2,200,481	11,161,499	4,974,242	6,187,257
Premium earned during the year	(2,789,966)	(1,238,825)	(1,551,141)	(10,454,409)	(5,025,865)	(5,428,544)
Balance at the end of the year	4,590,559	1,976,004	2,614,555	2,766,315	801,100	1,965,215

	31-Mar-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Unexpired risk reserve	2,766,315	801,100	1,965,215	2,059,224	852,723	1,206,501
Additional unexpired risk reserve	1,824,243	1,174,906	649,337	707,091	(51,624)	758,715
Balance at the end of the year	4,590,559	1,976,004	2,614,555	2,766,315	801,100	1,965,215

18 Hypothecation

	31-Mar-22			31-Dec-21		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	3,054,216	100,000	3,154,216	3,376,697	100,000	3,476,697
Financial assets	3,882,378	24,423,332	28,305,710	3,690,194	23,894,157	27,584,351
Reinsurance assets	5,639,453	-	5,639,453	4,639,643	-	4,639,643
Deferred acquisition cost	-	775,380	775,380	-	432,828	432,828
Other receivables and prepayments	-	584,801	584,801	-	333,655	333,655
Investment properties	-	157,500	157,500	-	157,500	157,500
Intangible assets	-	33,853	33,853	-	36,866	36,866
Property and equipment	-	1,551,045	1,551,045	-	1,467,178	1,467,178
Statutory deposit	-	500,000	500,000	-	500,000	500,000
Total assets	12,576,047	28,125,911	40,701,958	11,706,534	26,922,184	38,628,717
Liabilities						
Insurance contract liabilities	13,412,080	-	13,412,080	11,635,256	-	11,635,256
Trade payables	-	2,221,455	2,221,455	-	765,141	765,141
Other payables	-	958,620	958,620	-	1,053,785	1,053,785
Finance lease obligations	-	-	-	-	-	-
Defined benefit obligations	-	81,743	81,743	-	89,659	89,659
Income tax liabilities	-	68,120	68,120	-	60,257	60,257
Total liabilities	13,412,080	3,329,938	16,742,018	11,635,256	1,968,842	13,604,098
GAP	(836,033)	24,795,973	23,959,939	71,278	24,953,342	25,024,619

Notes to the financial statements

19 Trade payables		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Insurance payables (note 19.1)		2,221,415	765,141
		2,221,415	765,141

19.1 Insurance payables		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Commission payables to brokers		288,757	139,177
Premium received in advance		6,408	60,454
Due to re-insurers (see 'a' below)		1,845,358	481,525
Other payables to agents and brokers		80,892	83,985
		2,221,415	765,141

Movement in insurance payables		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Balance at the beginning of the year		765,141	704,169
Addition in the year		1,456,274	60,972
Balance at the end of the year		2,221,415	765,141

(a) This is a payable to reinsurance companies as at 31 March 2022.

20 Other payables		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Due to Auditors		8,588	4,838
NAICOM levy		81,565	111,615
Expenses payable (see note 20.1)		134,833	139,567
Deferred commission revenue (see (a) below)		272,640	159,844
Other payables (see note 20.2a)		114,994	291,921
Provision for litigation (see note 20.2b)		346,000	346,000
		958,620	1,053,785

a) Deferred commission revenue represents the acquisition commission income received in advance on insurance contract policies ceded to reinsurers and co-insurers with maturity beyond the reporting period. The movement during the year is shown below:

		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Deferred commission income as at 1 January		159,844	175,234
Fees and commission received during the year		407,585	818,839
Fees and commission earned during the year (see note 34.2)		(294,789)	(834,229)
Deferred commission income at the end of the period		272,640	159,844

20.1 Expenses payable		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Expenses accrued (see (i) below)		134,833	139,567
		134,833	139,567

(i) This represents expenses incurred during the year by the Company but for which bills/invoices have not been received from vendors as at 31 March 2022.

20.2 Other liabilities		31 Mar 2022	31 Dec 2021
(a) Other payables		₦'000	₦'000
Travel insurance		975	975
National Housing Fund (NHF)		1,343	1,025
Pension for Life agents/Company		607	604
Deposit without details (see (c) below)		47,497	278,591
Sundry payables		64,572	10,726
		114,994	291,921

(b) Provisions		31 Mar 2022	31 Dec 2021
		₦'000	₦'000
Provision for litigation (see (i) below)		346,000	346,000

(i) Included in provision for litigation is additional provision of N243 million which represents estimated outflow from a judgment delivered against the Company during the year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adepaté Demilade with FRC number FRC/2021/002/00000022694. The total estimated liability as at March 2022 is N346million (2021: N346million). The case is currently being appealed at the Court of Appeal.

(c) These are payments for which the purpose have not been identified as at reporting date.

Notes to the financial statements

21 Finance lease obligation

The Company leased four motor vehicles under finance lease during the year. The average lease term is 3 years. The Company has the option to purchase the motor vehicles for a nominal amount at the end of the lease term. The Company's obligation under finance leases are secured by the lessor's title to the leased assets.

The interest rate underlying the obligation under finance lease is fixed at 23% per annum in line with the terms of the lease contract.

	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Not later than one year	-	-	-	-	-	-
	-	-	-	-	-	-

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	189,430	161,560	(99,771)	(98,579)	89,659	62,981
Current service cost	-	34,625	-	-	-	34,625
Past service cost	-	-	-	-	-	-
Interest cost (income)	(9,106)	14,356	-	(14,329)	(9,106)	27
Contribution by employer	-	-	-	-	-	-
Benefits paid by the employer	1,190	(14,604)	-	14,604	1,190	-
Actuarial (gain)/loss on liability arising from:	-	-	-	-	-	-
- Assumptions	-	(14,116)	-	(1,466)	-	(15,582)
- Experience	-	7,609	-	-	-	7,609
At the end of the year	181,514	189,430	(99,771)	(99,771)	81,743	89,659

The Company operates a defined benefit plan for qualifying employees on services rendered. With effect from 1 January 2014, employees who have served at least 5 years are entitled to a gratuity on a defined benefit scale which is graduated. The new benefit formula applies to benefit accruing from services rendered in the prior and future years. The Company commenced funding of plan in 2017.

Actuarial valuation of the defined benefit obligation was carried out by O&A Hedge Actuarial Consulting with FRC number FRC/2019/00000012909. The valuation report was signed by Layemo B. Abraham with FRC number FRC/2016/NAS/00000015764.

23 Income tax liabilities

In thousands of Naira

	31 Mar 2022	31 Dec 2021
At the beginning of the period	60,257	82,565
Charge for the year (note 23.1)	7,863	31,941
Back duty assessment	-	79,783
Payment during the period	-	(134,032)
At the end of the period	68,120	60,257

23.1 Tax charge

In thousands of Naira

	31 Mar 2022	31 Dec 2021
Income tax (CIT)	7,863	-
Minimum tax expense	-	31,941
	7,863	31,941
Back duty assessment	-	79,783
Tax expense/(credit)	7,863	111,724
	7,863	111,724

24 Deferred taxation

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

Notes to the financial statements

	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
25 Share capital		
Authorized - ordinary shares of 50k each (30,000,000,000 units)	<u>15,000,000</u>	<u>15,000,000</u>
25.1 Issued and fully paid	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
Authorised - ordinary shares of 50k each (14,000,000,000 units)	<u>7,000,000</u>	<u>7,000,000</u>
At the beginning of the year	-	-
Additions	<u>7,000,000</u>	<u>7,000,000</u>
At the end of the year		
26 Share premium	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
At the end of the year	<u>560,294</u>	<u>560,294</u>
27 Contingency reserve	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
At the beginning of the year	2,882,618	2,547,773
Transfer from retained earnings (see Note 28)	138,427	334,845
At the end of the year	<u>3,021,045</u>	<u>2,882,618</u>
Contingency reserve for general insurance business is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act of Nigeria, as the higher of 3% of gross premiums and 20% of net profit for the year.		
28 Retained earnings	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
At the beginning of the year	(3,517,299)	3,308,185
Profit for the year	149,406	(3,990,638)
Transfer to contingency reserve (see Note 27)	(138,427)	(334,845)
Bonus share issue	-	(2,000,000)
Cash dividend	-	(500,000)
At the end of the year	<u>(3,506,320)</u>	<u>(3,517,299)</u>
29 Assets revaluation reserve	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
At the beginning of the year	828,773	828,773
Revaluation gain/(loss) on property and equipment	-	-
At the end of the year	<u>828,773</u>	<u>828,773</u>
The asset revaluation reserves comprises cumulative net revaluation change on revalued Property and Equipment. The last revaluation of land and buildings was done in December 2020.		
30 Other reserves		
Other reserves include fair value and re-measurement reserves. The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments while the re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan. These are presented below:		
30.1 Fair value reserve	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
Balance as at 31 December	<u>17,376,085</u>	<u>17,346,660</u>
30.2 Re-measurement reserve	<u>31 Mar 2022</u>	<u>31 Dec 2021</u>
	₦'000	₦'000
Balance as at 31 December	<u>5,040</u>	<u>5,040</u>

Notes to the financial statements

31 Gross premium written

	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
Direct premium (note 31.1)	4,544,242	3,889,454
Inward premium (note 31.1)	69,968	94,782
	4,614,210	3,984,236

31.1 Breakdown of gross premium written per business class is as follows:

	Direct premium	Inward premium	Total
	₹'000	₹'000	₹'000
31 Mar 2022			
Fire	610,508	11,685	622,193
Accident	536,238	9,840	546,078
Motor	681,922	18,109	700,031
Marine	340,710	17,201	357,911
Aviation	175,095	2,372	177,467
Bond	11,245	-	11,245
Engineering	170,515	10,761	181,276
Oil & Gas	2,016,915	-	2,016,915
Agric	1,094	-	1,094
	4,544,242	69,968	4,614,210
31 Mar 2021			
Fire	503,643	17,888	521,531
Accident	421,273	14,683	435,956
Motor	654,673	28,381	683,054
Marine	314,060	25,545	339,605
Aviation	216,384	1,913	218,297
Bond	6,215	-	6,215
Engineering	106,932	1,917	108,849
Oil & Gas	1,662,002	4,279	1,666,281
Agric	4,272	176	4,448
	3,889,454	94,782	3,984,236

32 Gross premium income

	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
Gross premium written (note 31)	4,614,210	3,984,236
Changes in reserve for unexpired risks (note 17.2)	(1,824,243)	(1,728,324)
	2,789,967	2,255,912

33 Reinsurance expenses

	1,238,825	1,017,139
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Notes to the financial statements

33.1 Premium ceded to reinsurance:

	31 Mar 2022	31 Mar 2021
	₦'000	₦'000
Reinsurance premium (Treaty)	2,272,611	1,582,526
Facultative outwards	141,120	167,835
Total reinsurance cost	2,413,731	1,750,361
Increase/(Decrease) in prepaid reinsurance	(1,174,906)	(733,222)
	1,238,825	1,017,139

33.2 Breakdown of premium ceded to reinsurer per business class is as follows:

	31 Mar 2022	31 Mar 2021
	₦'000	₦'000
Fire	432,019	225,535
Accident	171,201	112,416
Motor	-	93
Marine	93,488	139,912
Aviation	85,699	126,474
Bond	2,103	833
Engineering	44,440	58,760
Oil & Gas	406,823	352,854
Agric	3,052	262
	1,238,825	1,017,139

34 Fees and commission income

	173,491	169,659
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34.1 Breakdown of fees and commission income per business class is as follows:

	31 Mar 2022	31 Mar 2021
	₦'000	₦'000
Fire	88,168	68,184
Accident	41,695	32,090
Motor	354	539
Marine	29,198	42,770
Aviation	-	504
Bond	640	250
Engineering	16,511	15,563
Agric	820	65.00
Oil & Gas	(3,895)	9,694
	173,491	169,659

34.2 Breakdown of fees and commission income is as follows:

	31 Mar 2022	31 Mar 2021
	₦'000	₦'000
Lead underwriting commission	1,428	4,565
Reinsurance commission (Note 20(a))	294,789	250,462
Profit Comm. & Comm. Adjustment	(9,930)	(439)
Changes in deferred commission revenue	(112,797)	(84,929)
	173,490	169,659

Notes to the financial statements

35 Net claims expenses	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
Gross claims paid	619,559	804,704
Movement in IBNR reserve (see note 17.1(c))	65,332	13,182
Movement in reserve for outstanding claims	(112,752)	426,196
Gross claims incurred	572,139	1,244,082
Salvage recovery	(59,611)	(3,950)
Claims recovered and recoverable from reinsurers (see (a) below)	(6,652)	(170,123)
	505,876	1,070,009
	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
a) Analysis of claims recovered and recoverable from reinsurers		
Reinsurance claims recoveries (see note 43c)	138,932	160,374
Change in re-insurance recoverable (see note 10b)	(132,280)	9,749
	6,652	170,123
	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
36 Underwriting expenses		
Acquisition expenses (note 36.1)	879,485	496,840
Maintenance expenses (note 36.2)	146,212	321,663
	1,025,697	818,503
	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
36.1 Analysis of acquisition expenses		
Commission expense	825,706	708,786
Business acquisition cost	396,330	114,923
Movement in deferred acquisition cost (see note 11.2)	(342,551)	(326,869)
	879,485	496,840
	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
36.2 Analysis of maintenance expenses		
Staff costs (see note 41)	95,355	90,494
Directors' emoluments (see note 41)	5,679	5,050
Retirement benefit cost (see note 41)	10,406	10,076
Other operating expenses (note 41)	34,772	216,043
	146,212	321,663
<p>The above expenses represent part of the entity's operating expenses that were allocated to operations. Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively.</p> <p>Other operating expenses are expenses incurred relating to the Company's core business excluding staff costs, directors' emoluments and retirement benefit costs.</p>		
37 Investment income	31 Mar 2022	31 Mar 2021
	₹'000	₹'000
Dividend income (see note 37a)	85,506	735,563
Interest income (See note 37b)	287,823	252,172
Investment income per statement of profit or loss and OCI	373,329	987,735
Investment income for hypothecation	373,329	987,735

Notes to the financial statements

	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	<u>N'000</u>	<u>N'000</u>
37.1 Hypothecation of investment income		
Investment income that relate to policyholders (note 37.2)	52,728	33,508
Investment income that relate to shareholders (note 37.3)	320,601	954,227
	<u>373,329</u>	<u>987,735</u>
37.2 Investment income that relate to policy holders		
	<u>N'000</u>	<u>N'000</u>
Income from money market	52,728	33,508
	<u>52,728</u>	<u>33,508</u>
37.3 Investment income that relate to shareholders		
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	<u>N'000</u>	<u>N'000</u>
Dividend income	85,506	735,563
Income from bonds	140,037	181,541
Other investment income	95,058	37,123
	<u>320,601</u>	<u>954,227</u>
38 Net fair value gains/(loss) on financial assets at fair value through profit or loss		
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	<u>N'000</u>	<u>N'000</u>
Fair value change on FVTPL securities	108,639	(907,431)
	<u>108,639</u>	<u>(907,431)</u>
39 Other operating (loss)/income (net)		
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
	<u>N'000</u>	<u>N'000</u>
Sundry income	612	(3,852)
Gain on sale of property & equipment	12,353	5
Exchange gains	65,740	18,515
Rental income	-	300
	<u>78,705</u>	<u>14,968</u>
40 Fair value changes in property and equipment		
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
Revaluation loss on property and equipment	-	-
	<u>-</u>	<u>-</u>

Notes to the financial statements

41 Maintenance and management expenses

Maintenance and management expenses comprise:

	31 Mar 2022		31 Mar 2021	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
<i>In thousands of Naira</i>				
Staff cost	95,355	143,032	90,494	135,740
Director emoluments	5,679	8,518	5,050	7,575
Pension contribution	3,282	4,924	3,309	4,964
Retirement benefits	7,124	10,686	6,767	10,150
Outsourcing cost	17,264	25,897	14,811	22,216
Advertising & publicity	958	1,437	1,107	1,660
Marketing expenses	2,795	4,192	2,772	4,157
Medical	4,790	7,186	4,490	6,734
Staff training & development	5,664	8,496	2,395	3,593
Corporate Expense	3,300	-	190,469	-
AGM expenses	-	3,000	-	4,500
Bank charges	-	13,687	-	12,541
Computer consumables	-	-	-	-
Depreciation & amortisation	-	48,747	-	52,139
Diesel and fuel	-	20,149	-	12,715
Entertainment	-	375	-	164
			-	-
Maintenance and management expenses (cont'd)				
	31 Mar 2022		31 Mar 2021	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
<i>In thousands of Naira</i>				
Industrial training fund	-	(6,950)	-	-
Insurance expenses	-	5,627	-	13,900
Insurance supervision fee	-	94,800	-	3,661
Legal and secretarial expenses	-	1,629	-	47,187
Retail agents expenses	-	7,646	-	17,523
Lighting & heating	-	3,823	-	6,337
Maintenance expense	-	42,837	-	4,043
Newspapers & periodicals	-	391	-	40,228
Postage and telephone	-	9,658	-	1,622
Consultancy expenses	-	17,444	-	8,849
Rent & rate	-	12,948	-	68,682
Stationaries	-	7,283	-	13,356
Subscriptions, contributions & donations	-	9,171	-	4,375
Transport and business travels	-	4,200	-	5,998
Withholding tax & VAT	-	33,557	-	26,838
Audit fee	-	3,750	-	6,250
Rebranding expenses	-	43,685	-	-
Lease expenses	-	-	-	-
Others	-	4,640	-	12,730
Total	146,212	596,464	321,664	564,720

Notes to the financial statements

42 Net fair value (loss)/gain on available-for-sale financial assets

	31 Mar 2022	31 Mar 2021
	₦'000	₦'000
Fair value gain / (loss) in available-for-sale investments - unquoted equities	29,425	7,092
	29,425	7,092

43 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 Mar 2022	31 Dec 2021
Profit attributable to ordinary shareholders (N'000)	149,406	(3,990,638)
Weighted average number of ordinary shares	14,000,000	14,000,000
Basic and diluted earnings per share (Kobo)	1.1	(28.5)

44 Cashflow reconciliation

a) Other operating cash payments

In thousands of Naira

	31 Mar 2022	31 Dec 2021
	₦'000	₦'000
Management expenses (less staff expenses)	(396,222)	(1,877,487)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(1,824,243)	(707,091)
Depreciation and amortisation expense	48,747	191,682
Impairment loss	-	35,788
Exchange gain/loss	(87,832)	28,273
Sundry loss/(income)	2	(1,132)
Loss/(Profit) on sale of PPE	(12,353)	(42)
Operating cash flows before movements in working capital	(2,271,901)	(2,330,009)
Changes in trade payables	1,456,314	60,972
Changes in trade payables (Provision for Litigation)	-	243,000
Changes in insurance contract liabilities	(47,421)	5,199,504
Other sundry (payable)/receivable	-	95,649
Changes in Other receivables and prepayment	(251,146)	167,476
Changes in outstanding claims	47,420	(5,199,504)
Changes in other payables	(219,316)	112,199
	(1,286,050)	(1,650,713)

b) Premium received from policy holders

In thousands of Naira

	31 Mar 2022	31 Dec 2021
	₦'000	₦'000
Trade receivable at 1 January	81,468	63,974
Gross premium written during the year	4,614,210	11,161,499
Trade receivable at end of the period	(1,324,979)	(81,468)
Premium received in advance	(6,408)	(2,936)
	3,364,291	11,141,069

Notes to the financial statements

c) Recovery and recoverable from reinsurers	31 Mar 2022	31 Dec 2021			
<i>In thousands of Naira</i>	₦'000	₦'000			
Reinsurance claims recoveries (note 35(a))	138,932	1,699,447			
Salvage recovery (note 35)	59,611	63,146			
	198,543	1,762,593			
d) Reinsurance premium paid	31 Mar 2022	31 Dec 2021			
<i>In thousands of Naira</i>	₦'000	₦'000			
Reinsurance premium cost (note 33.1)	2,272,611	4,077,989			
Facultative outwards (note 33.1)	141,120	896,252			
Due to reinsurers as at end of the period	(1,845,358)	(481,525)			
Movement in treaty premium surplus	481,525	504,926			
	1,049,898	4,997,642			
e) Commission paid	31 Mar 2022	31 Dec 2021			
<i>In thousands of Naira</i>	₦'000	₦'000			
Commission payable to brokers at 1 January	139,177	96,037			
Commission cost (Note 36.1)	825,706	1,932,506			
Business acquisition cost (Note 36.1)	396,330	1,225,757			
Commission payable to brokers at 31 December	(149,580)	(139,177)			
	1,211,633	3,115,123			
f) Commission received	31 Mar 2022	31 Dec 2021			
<i>In thousands of Naira</i>	₦'000	₦'000			
Deferred commission revenue at 1 January	(159,844)	(175,234)			
Deferred commission revenue at 31 December	272,640	159,844			
Movement	112,796	(15,390)			
Commission income earned during the year	284,859	739,614			
Profit Comm. & Comm. Adjustment	(9,930)	71,410			
Lead underwriting commission	1,428	7,813			
Commission income received during the year	389,153	803,447			
g) Interest received	31 Mar 2022	31 Dec 2021			
<i>In thousands of Naira</i>	₦'000	₦'000			
Interest income earned during the year	287,823	1,080,792			
Interest received during the year	287,823	1,080,792			
h) Movement in financial assets	31 Mar 2022				
<i>In thousands of Naira</i>	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	1,283,910	869,114	-	192,184	2,345,208
Disposals/redemption	(2,199,061)	-	106,303	-	(2,092,758)
Loan repayment	-	-	(115,850)	-	(115,850)
Impairment	-	-	27,835	-	27,835
Fair value (loss)/gain	108,639	-	-	-	108,639
	(806,513)	869,114	18,288	192,184	273,074

Notes to the financial statements
Movement in financial assets

31 Dec 2021

<i>In thousands of Naira</i>	Fair value through profit or loss	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	1,832,801	401,250	-	2,509,942	4,743,993
Disposals/redemption	(4,168,919)	-	(7,581)	(329,214)	(4,505,714)
Loan repayment	-	-	(36,778)	-	(36,778)
Impairment	-	-	35,788	-	35,788
Fair value element	(1,268,490)	3,397,853	-	-	2,129,363
	(3,604,608)	3,799,103	(8,571)	2,180,728	2,366,652

i) Purchase of property and equipment

In thousands of Naira

Addition for the year per movement schedule

Cash flow on addition to property and equipment

31 Mar 2022	31 Dec 2021
₦'000	₦'000
129,601	298,301
129,601	298,301

j) Sale of property and equipment

In thousands of Naira

Costs of assets disposed

Accumulated depreciation on assets disposed

Proceeds on sale of disposed asset

Profit/(Loss) on disposal

31 Mar 2022	31 Dec 2021
₦'000	₦'000
42,721	162,325
(42,721)	(161,276)
(12,353)	(1,091)
(12,353)	(42)

k) Finance lease obligation

In thousands of Naira

Balance at the beginning of the year

Payments made during the year

Balance at the end of the year (see note 21)

31 Mar 2022	31 Dec 2021
₦'000	₦'000
-	219
-	(219)
-	-

l) Cash payment to and on behalf of employees (excluding maintenance expenses)

In thousands of Naira

Staff cost

Director emolument

Pension contribution

Retirement benefits

Contract staff cost

Medical

31 Mar 2022	31 Dec 2021
₦'000	₦'000
143,032	536,704
8,518	66,114
4,924	20,101
10,686	45,455
25,897	92,322
7,186	28,759
200,242	789,455

45 Cash and cash equivalents

Cash in hand

Balances with banks & other financial institutions

31 Mar 2022	31 Dec 2021
₦'000	₦'000
299	445
3,153,917	3,476,252
3,154,216	3,476,697

46 Related party disclosures

Transactions are entered into by the Company during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those with third parties. Details of transactions between Linkage Assurance Plc and related parties are disclosed below:

46.1 Sale of insurance contracts

During the period, the Company did not enter into any contract with related parties.

Notes to the financial Statements

47 Contravention

There were no contraventions during the year (2021:Nil)

48 Other related party transactions

Linkage Assurance Plc is represented on the Board of IBTC Pension Manager by a member of the key management personnel. IBTC Pension Managers is one of the Pension Funds Administrators (PFAs) to some of the Company's staff.

49 Events after the reporting period

There were no major events after the reporting period that require adjustments or disclosure in the financial statements.

50 Commitments

The Company had no capital commitments at the reporting date.

Other National Disclosures

Statement of Value Added
For the year ending

	31 Mar 2022		31 December 2021	
	₦'000	%	₦'000	%
Net premium	1,551,142	339	5,428,543	(174)
Investment income	373,329	82	2,293,357	(73)
Other income	252,196	55	1,138,291	(36)
Claims incurred, commissions paid and operating expenses (local)	(1,719,085)	(376)	(11,986,112)	383
Value added	457,582	100	(3,125,921)	100
Distribution:				
Employees and directors (staff cost)	251,566	55	975,940	(31)
Government (taxes)	7,863	2	31,941	(1)
Asset replacement (depreciation)	48,747	11	191,682	(6)
Contingency reserve	138,427	31	-	1
Expansion (retained on the business)	10,979	2	(4,325,483)	138
	457,582	100	(3,125,921)	100

Other National Disclosures
Revenue Account
For the year ending

31 Mar 2022

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct received premium	610,508	536,238	681,922	340,710	175,095	11,245	170,515	2,016,915	1,094	4,544,242
Inward premium	11,685	9,840	18,109	17,201	2,372	-	10,761	-	-	69,968
Gross premium written	622,193	546,078	700,031	357,911	177,467	11,245	181,276	2,016,915	1,094	4,614,210
Changes in reserve for unexpired risk	(107,899)	(267,903)	(174,593)	(143,362)	(27,708)	(3,530)	(47,686)	(1,056,872)	5,309	(1,824,244)
Gross premium earned	514,294	278,175	525,438	214,549	149,759	7,715	133,590	960,043	6,403	2,789,966
Reinsurance Expenses	(482,544)	(272,912)	-	(164,563)	(295,772)	(4,485)	(110,124)	(1,083,016)	(315)	(2,413,731)
Movement in Prepaid-Reinsurance Cost	50,525	101,711	-	71,075	210,073	2,382	65,684	676,193	(2,737)	1,174,906
Re-insurance cost	(432,019)	(171,201)	-	(93,488)	(85,699)	(2,103)	(44,440)	(406,823)	(3,052)	(1,238,825)
Net earned premium	82,275	106,974	525,438	121,061	64,060	5,612	89,150	553,220	3,351	1,551,141
Commissions received	88,168	41,695	354	29,198	-	640	16,511	(3,895)	820	173,491
Total underwriting income	170,443	148,669	525,792	150,259	64,060	6,252	105,661	549,325	4,171	1,724,632
Underwriting expenses										
Gross Claims incurred	165,900	(174,316)	(206,111)	(92,042)	(27,840)	(57)	(68,234)	(110,074)	248	(512,526)
Recovery on Claims incurred	(171,931)	109,608	8,576	51,776	-	-	13,130	(4,010)	(498)	6,651
Net Claims Expenses	(6,031)	(64,708)	(197,535)	(40,266)	(27,840)	(57)	(55,104)	(114,084)	(250)	(505,875)
Maintenance expenses	(57,210)	(50,211)	(64,367)	(32,910)	(16,318)	(1,034)	(16,668)	(185,454)	(101)	(424,273)
Acquisition expenses	(98,336)	(74,866)	(84,766)	(56,517)	(26,914)	(1,402)	(26,089)	(231,401)	(1,133)	(601,424)
Underwriting profit/(loss)	8,866	(41,116)	179,124	20,566	(7,012)	3,759	7,800	18,386	2,687	193,060

31 Mar 2021

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct received premium	503,643	421,273	654,673	314,060	216,384	6,215	106,932	1,662,002	4,448	3,889,630
Inward premium	17,888	14,683	28,381	25,545	1,913	-	1,917	4,279	-	94,606
Gross premium written	521,531	435,956	683,054	339,605	218,297	6,215	108,849	1,666,281	4,448	3,984,236
Changes in reserve for unexpired risk	(194,867)	(228,365)	(243,293)	(108,860)	(67,255)	(4,653)	23	(877,059)	(3,995)	(1,728,324)
Gross premium earned	326,664	207,591	439,761	230,745	151,042	1,562	108,872	789,222	453	2,255,912
Reinsurance Expenses	(279,865)	(209,831)	-	(190,095)	(316,029)	(2,970)	(95,007)	(653,787)	(2,777)	(1,750,361)
Movement in Prepaid-Reinsurance Cost	54,330	97,415	(93)	50,183	189,555	2,137	36,247	300,933	2,515	733,222
Reinsurance expenses	(225,535)	(112,416)	(93)	(139,912)	(126,474)	(833)	(58,760)	(352,854)	(262)	(1,017,139)
Net earned premium	101,129	95,175	439,668	90,833	24,568	729	50,112	436,368	191	1,238,773
Commissions received	68,184	32,090	539	42,770	504	250	15,563	9,694	65	169,659
Total underwriting income	169,313	127,265	440,207	133,603	25,072	979	65,675	446,062	256	1,408,432
Underwriting expenses										
Claims expenses	(135,177)	(146,657)	(235,028)	(33,325)	(94,889)	(103)	(24,214)	(400,616)	-	(1,070,009)
Maintenance expenses	(46,972)	(39,264)	(61,519)	(30,587)	(19,661)	(560)	(9,804)	(150,074)	(401)	(358,841)
Acquisition expenses	(71,958)	(49,139)	(65,271)	(58,385)	(22,905)	(279)	(17,151)	(174,556)	(18)	(459,662)
Underwriting profit/(loss)	(84,794)	(107,795)	78,389	11,306	(112,383)	37	14,506	(279,184)	(163)	(480,080)

Financial Summary

	31 Mar 2022 ₦'000	31 Dec 2021 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2018 ₦'000
Statement of financial position					
Assets					
Cash and cash equivalents	3,154,216	3,476,697	3,592,711	1,609,222	1,205,124
Financial assets	28,305,710	27,584,351	25,144,141	23,398,173	19,057,336
Trade receivables	1,324,979	81,468	63,974	65,898	32,090
Reinsurance assets	5,639,453	4,639,643	2,445,920	1,121,787	543,636
Deferred acquisition cost	775,380	432,828	328,812	262,550	259,098
Other receivables and prepayments	584,801	333,655	501,131	408,303	287,101
Investment property	157,500	157,500	150,000	150,000	144,000
Intangible assets	33,853	36,866	1,199	7,319	14,110
Property and equipment	1,551,045	1,467,178	1,349,516	1,381,180	1,303,014
Statutory deposit	500,000	500,000	300,000	300,000	300,000
Total assets	42,026,936	38,710,185	33,877,404	28,704,432	23,145,509
Liabilities					
Insurance contract liabilities	13,412,080	11,635,256	5,728,661	4,652,881	4,289,254
Trade payables	2,221,455	765,141	704,169	363,724	144,234
Provision and other payables	958,620	1,053,785	922,984	460,618	350,232
Finance lease obligations	-	-	219	61,923	56,037
Retirement benefit obligations	81,743	89,659	62,981	49,846	22,905
Income tax liabilities	68,120	60,257	82,565	75,390	203,979
Deferred tax liabilities	-	-	-	-	158,381
Total liabilities	16,742,019	13,604,099	7,501,579	5,664,382	5,225,022
Capital and reserves					
Issued and paid-up share capital	7,000,000	7,000,000	5,000,000	3,999,999	3,999,999
Share premium	560,294	560,294	729,044	729,044	729,044
Contingency reserve	3,021,045	2,882,618	2,547,773	2,068,770	1,778,339
Retained earnings	(3,506,320)	(3,517,299)	3,308,185	2,392,175	1,230,452
Assets revaluation reserve	828,773	828,773	828,773	752,083	752,083
Re-measurement reserve	5,040	5,040	13,244	18,431	23,761
Fair value reserve	17,376,085	17,346,660	13,948,807	13,079,548	9,406,809
Total equity	25,284,917	25,106,086	26,375,825	23,040,050	17,920,487
Total liabilities and equity	42,026,936	38,710,185	33,877,404	28,704,432	23,145,509
Statement of profit or loss					
Gross premium written	4,614,210	11,161,499	8,331,841	6,518,964	5,391,170
Net premium income	1,551,142	5,428,543	4,450,402	3,713,380	3,477,836
Underwriting results	193,060	(2,584,189)	825,589	409,240	(772,480)
(Loss)/profit before taxation	157,269	(3,878,914)	2,436,069	1,338,726	134,703
Taxation	(7,863)	-	(19,882)	(31,633)	-
(Loss)/profit after taxation	149,406	(3,990,638)	2,516,187	1,307,093	134,703
Transfer to contingency reserve	138,427	334,845	479,002	290,431	161,736
Dividend	-	(500,000)	-	-	(400,000)
Transfer to revenue reserve	10,979	(3,825,483)	2,037,185	1,016,662	372,967
Basic earnings per share (kobo)	1.1	(28.5)	24.0	18.2	(3.6)