Linkage Assurance Plc
RC:162306

Annual Report & Accounts 2022

Embracing Change & Delivering Results


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#1_

Overview

About Us

Who we are

Linkage Assurance Plc. was incorporated on 26 March, 1991 and was licensed to cover and transact non-life insurance businesses on 7 October, 1993.

As part of the recapitalization and consolidation reforms of Federal Government of Nigeria, the company merged with Central Insurance Company Limited on 27 February, 2007 to form a new and bigger Linkage Assurance Plc. to further provide quality service to our clients who form the bedrock of who we are.

We are one of the leading insurance service providers in Nigeria, with a reputation for prompt and accurate service delivery, efficiency and customer satisfaction. For over two decades, we are and have been driven by our tested relationship with various respectable brokers/agents. Through our alliance with reputable financial institutions and our growing investment in human resources & information technology, we maintain the professional mien required of a global reputable insurance company.

Linkage Assurance Plc Affirms The A- Status

Agusto & Co., a top rating agency has rated Linkage Assurance Plc and affirmed the A- status on the Insurer. This rating confirms on the Company, a satisfactory financial condition and adequate capacity to meet claims obligation as well as a Stable Outlook.

Our Investment Portfolio

We have developed high competence in investment management having grown our investment portfolio to over ₦25 billion as at 31st December 2022. Our increasingly steady participation in fixed income, equity & debt instruments in both capital and money markets has produced returns resulting in appreciable increase in our investment portfolio.

Brand Platform

Vision Statement

To consistently exceed customer expectations.

Mission Statement

To use best in class technology, competent & engaged workforce to deliver superior services and returns to our stakeholders.

Our Core Values

E	P	I	I	C
Excellence	Professionalism	Integrity	Innovation	Customer Focus

We believe in consistently "Walking the Talk" and keeping promises to all stakeholders through emphasis on honesty, transparency and the highest degree of ethical standards.

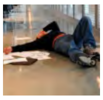
Service Offerings

We offer a full range of integrated non-life insurance services backed up with commitment to excellence and quality service delivery to the satisfaction of our clients.

Automobile
Private Motor
Commercial Vehicle
Motor Trade
Motor Cycle

Property
Fire and Allied Perils
Theft/Burglary
Householders
Industrial All Risks(Material Damage)

General Accident
Fidelity Guarantee
Money Insurance
Goods In Transit
Group Personal Accident/Personal Accident



Liability Group
Employer's Liability
Personal/Public Liability

Transportation
Goods in transit
Marine Hull
Marine Cargo

Health & Compulsory Insurances
Travel Insurance
Miscellaneous/Compulsory Insurances
Builder's Liability
HealthCare Professional Indemnity

Marine
Marine Cargo
Marine Hull & Liability
Port Operators (Bailee) Liability

Aviation
Aviation Cargo
Aviation Hull & Liability
Aviation Passenger Liability

Bonds
- Advance Payment Bond
- Performance Bond
- Counter Guarantee Bond
- Bid Bond /Tender

Oil/Gas & Special Risk
- Energy Risk/Power Plants
- Oil & Gas
- Operators Extra Expenses
- Control of Well
- Gas Plants
- Refineries & Petrochemical Plants

Engineering Insurance
- Erection All Risks
- Construction All Risks
- Plant All Risks
- Boiler& Pressure Vessel
- Machinery Breakdown
- Electronic/Telecommunication Equipment
- Business Interruption (consequent upon
- Machinery. Breakdown)

Retail Products	
Motor Third Party Plus	Budget motor insurance
Events Insurance	Material damage + accident
Estate Insurance	Fire + Burglary cover for homes & estates
Purple Motor Plan	Comprehensive motor cover for women
Shop Insurance	Comprehensive risk cover for stores, supermarkets , malls and plazas
SME Comprehensive	Comprehensive risk cover for SMEs
Citadel Shield Plan	Personal/Group Personal Accident cover for students and pupils

Agricultural Insurance	
Livestock Insurance	Covers swine, sheep, goat, cattle and rabbits against diseases, fire, and accidents.
Poultry Insurance	Covers commercial birds against mortality from diseases, fire, flood, windstorm, and accident.
Multi Perils Crop Insurance	Covers cost of production and expected yield.
Fishery and Fish Farm	Covers mortality of farmed fish against flood, diseases, fire, and accident.
Farm Produce & Properties	Fire and Burglary on farm produce, Machineries, buildings, and properties.
Area Yield Index Insurance	Protection against named perils on farm output.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of LINKAGE ASSURANCE PLC will hold on Thursday, 22nd June 2023 at Agip Recital Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

Ordinary Business

1. To receive and consider the Audited Financial Statements for the year ended 31 December 2022 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.

2. (a) To re- elect the following Directors retiring by rotation:

i. Mr. Olakunle Agbebi
ii. Mr. Bernard Griesel

(b) To ratify the appointment of Mrs. Valentina Marinho as Independent Non-Executive Director.

3. To authorize the Directors to fix the remuneration of the Auditors.

4. Disclosure of the remuneration of Managers of the Company.

5. To elect members of the Statutory Audit Committee.

Special Business

To consider and if thought fit to pass the following Ordinary Resolutions:

1. That the remuneration of the Directors of the Company for the year ending December 31, 2023, be and is hereby fixed at N15m only.

2. To appoint DCSL Corporate Services Limited as Board Evaluation Consultant.

Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. Duly completed proxy forms which must be deposited at the office of the Registrar, Centurion Registrars, 33C, Cameron Road, Ikoyi, Lagos or services@centurionregistrars.com or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting.

(a) Closure of Register

The Register of members will be closed from 9th of June 2023 to 16th of June 2023 both days inclusive to enable the Registrars update the Register of Members.

(b) Audit Committee

In accordance with Section 404 (6) of Companies and Allied Matters Act, 2020, any member may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the meeting. The National Insurance Guideline on Corporate Governance, states that some of the members of Audit Committee should have knowledge of accounting, financial analysis, and financial reporting.

Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all the members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria also provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements.

Notice of Annual General Meeting

(c) Website

A copy of this Notice and other information relating to the meeting can be found on our website at http://www.linkageassurance.com. Responses can also be sent through our email address: info@linkageassurance.com

(d) 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 not later than seven (7) days to the Meeting.

Registered Office
Linkage Plaza
Plot 20, Block 94,
Providence Street,
Off Adewunmi Adebimpe Lekki
Phase 1, Lagos
P.O. Box 74175
Victoria Island
Lagos

Dated this 22nd Day of May 2023

BY ORDER OF THE BOARD

Moses Omorogbe
Company Secretary
FRC/2017/NBA/00000017141

Corporate Information

Chairman	Chief Joshua Bernard Fumudoh	Chairman	
Other Directors	Mr. Daniel Braie	Managing Director/CEO	
	Mr Okanlawon Adelagun	Executive Director	
	Mr. Tamunoye Zifere Alazigha	Non-Executive Director	Retired July 2022
	Mr. Olakunle Bomo Agbebi	Non-Executive Director	
	Mr. Bernard Nicolaas Griesel	Non-Executive Director	
	Mrs. Funkazi Koroye-Crooks	Non-Executive Director	
	Mr. Maxwell Ebibai	Non-Executive Director	
	Mr. Pius Otia	Non-Executive Director	
	Mr. Abubakar Shehu Dahiru	Independent Director	Retired June 2022
	Mrs Valentina Marinho	Independent Director	Appointed 9th August 2022

Managing Director Mr. Daniel Braie

Company Secretary Mr. Moses Omorogbe

Registered Office
Linkage Plaza
Plot 20, Block 94, Providence Street
Off Adewunmi Adebimpe Street
Lekki-Epe Expressway, Lekki, Lagos

Registrars
Centurion Registrars
33C, Cameron Road,
Ikoyi, Lagos.
www.centurionregistrars.com

Auditor
Ernst & Young
10th & 13th Floor, UBA House
57, Marina, Lagos
Nigeria.
www.ey.com

Reinsurers
African Reinsurance Corporation, Lagos, Nigeria
Continental Reinsurance Plc, Lagos, Nigeria
WAICA Reinsurance Corporation Plc, Lagos, Nigeria
FBS Reinsurance Limited, Lagos, Nigeria
Nigeria Reinsurance Corporation, Lagos, Nigeria
Jordans Global Insurance Brokers
YOA Reinsurance Brokers Limited
MarshFJC International Insurance Brokers Limited
Zebra Insurance Brokers
MNK Reinsurance Brokers Limited
GRS Reinsurance Brokers Limited
Insurance Brokers of Nigeria limited

Principal Bankers
Access Bank Plc
Ecobank Nigeria Limited
FCMB Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
Guaranty Trust Bank Limited
Heritage Bank Limited
Sterling Bank Plc
Wema Bank Plc
Keystone Bank Limited
Polaris Bank Limited
Stanbic IBTC Bank Limited
Union Bank Plc
United Bank for Africa Plc
Unity Bank Plc
Zenith Bank Plc
Providus Bank
Abbey Mortgage Bank Plc

Actuary O & A Hedge Actuarial Consulting

RC No. 162306

FRC Registered No. FRC/2012/0000000000339

Authorized and regulated by National Insurance Commission RIC - 026

Financial Highlights

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000	Changes (%)
Comprehensive income statement			
Gross premium written	12,979,789	11,161,499	16
Gross premium income	12,506,551	10,454,408	20
Net premium income	7,077,688	5,428,543	30
Underwriting profit/(loss)	506,162	(2,584,189)	120
Investment and other income	4,865,190	1,328,929	266
Profit / (Loss) before taxation	2,696,182	(3,878,914)	170
Profit / (Loss) after taxation	2,566,891	(3,990,638)	164
Statement of financial position			
Total assets	39,996,868	38,710,185	3
Insurance contract liabilities	12,811,727	11,635,256	10

Key Ratios	31 Dec 2022 %	31 Dec 2021 %
Claims ratio	29	82
Claims ratio (net)	35	93
Underwriting expenses ratio	41	36
Fees and Commission income ratio	8	8
Management expenses ratio	21	24
Underwriting profit/(loss) margin	4	(23)

Our Performance
Gross premium written grew by 16% to ₦12.9billion as at December 2022 from ₦11.2billion recorded in prior year. The Company achieved an underwriting profit of N506million against a loss of ₦2.58billion in the prior year. Profit before tax stood at ₦2.7billion. The major driver is investment income which was buoyed by the dividend income of ₦3.1billion received from Stanbic IBTC Pension Managers Ltd.

Outlook
As an organization, we shall continue to refine our strategy in line with our strategic focus for the year and theme. Our theme for 2023 is "Consolidation", and this informs our strategic intent along the four pillars of Business growth, Operational excellence, financial excellence, and Customer & People. Consequently, during the year the identified strategic focus will guide as compass in our quest to navigate through the highly competitive insurance market to increase our market share in the most profitable sectors and offer excellent customer experience to all our clients.

Product offering & Fintech
As part of our agile strategy, we shall leverage on the technology to improve our products and services especially to our direct and personal clients. This is also part of digital transformation initiatives. Also, having recognized the impact of certain product lines like motor insurance on our portfolio, we are positioned to offer to our clients different options of motor insurance according to their risk exposure(s) willingness and ability to pay.

Brand Development
We shall continue to leverage on the positive impact of our ongoing brand rejuvenation and awareness campaign to the insuring public. This will be reinforced by our customer value propositions.

Corporate Social Responsibility (CSR)
As a corporate socially responsible organization, we shall continue to expand our activities in the bid to give back to the communities where we do business and the society as a whole. During the year 2022, we responded to households and businesses affected by the floods and to NGOs, FRSC and others.

Work Life Balance & Manpower Development
Linkage Assurance PLC is committed to ensuring a work-life balance for our employees and reduction in the cost of doing business. As a result of these, we embarked on Work-from-Home. (WFH) which allows us to adopt a hybrid work regime.

#2_

Business Review

Chairman's Statement

Time to accelerate in the interest of our Shareholders

The year 2022 no doubt was one of the most challenging years in the history of modern times. The year was characterized by challenging and devastating economic and geopolitical uncertainties confronting government businesses and households.

Chief Joshua B. Fumudoh
Chairman

Chairman's Statement

Chief Joshua B. Fumudoh

The year 2022 no doubt was one of the most challenging years in the history of modern times. The year was characterized by challenging and devastating economic and geopolitical uncertainties confronting government businesses and households.

The Global Economy

The year started with an unprovoked war by Russia on Ukraine which led to an increase in the cost of major agricultural commodities and energy. The resultant effect was a disruption of the supply chain, economic activities and displacement of many Ukrainians and others from Ukraine to neighboring countries.

The situation aggravated the already supply chain problems caused by Covid 19 pandemic that many nations were trying to find solutions to. The impact of these led to surging inflation, debt tightening, uncertainties, food problems and Russia-NATO issues.

'During the year a lot of assets and lives were lost because of climatic changes, with floods covering many parts of the country for days particularly the coastlines and areas affected by the overflow from the river niger. this no doubt will affect insurance in the form of claims payment on lives and assets lost as well as business interruption losses.'

Owing to the devastating climatic changes witnessed during the period, many parts of the world were either flooded or affected by wildfire outbreaks. All these negatively impacted the cost of business and the livelihood of many people.

As a result of this, the World Bank identified high fertilizer prices as a significant obstacle to food production in low-income nations, thereby destabilizing the 2023-2024 food crop cycles.

Countries like Italy, the United Kingdom, Germany, and Nigeria as well as many others witnessed an increase in inflation because of the global economic crisis that continues to blight the macroeconomic growth and development initiatives of many nations.

This has resulted in a decline of 5% in the importation of durum wheat and a 50% price rise according to the National Bureau of Statistics. The price of crude oil rose from $76 per barrel in January 2022 to over $130 per barrel in March 2022. Also, the price of diesel rose from ₦288 per litre in January 2022 to over ₦800 per litre in December.

Nigeria Economy

The Nigerian macroeconomic environment was not insulated from the impact of the global challenges resulting from geopolitical and economic crises of the year. Nigeria like most developing economies witnessed a

Chairman’s Statement

slower job recovery in 2022 and heightened uncertainties.

Nigeria’s annual Gross Domestic Product (GDP) growth rate in 2022 fell to 3.10% from the 3.40% reported in 2021, according to the National Bureau of Statistics (NBS). NBS reported that the performance of agriculture and industry reduced in 2022 relative to 2021, while the service sector improved in 2022.

The decline in the agricultural sector was occasioned by flooding across Nigeria’s farmlands. However, the improved GDP growth in Q4, 2022 was driven mainly by the service sector, which recorded a growth of 5.6% and contributed 56.27% to the aggregate GDP.

The continued security challenges in the form of banditry, kidnapping and unrest in many parts of the country also affected the business environment as many offices and businesses were either partially or completely shut down. Businesses that had offices in the eastern part of the country were most affected by this.

During the year a lot of assets and lives were lost because of climatic changes, with floods covering many parts of the country for days particularly the coastlines and areas affected by the overflow from the river Niger. this no doubt will affect insurance in the form of claims payment on lives and assets lost as well as business interruption losses.

There was also the uncertainty of the pre-election year which had its indirect impacts on business. This no doubt will affect insurance in the form of claims payment on lives and assets lost as well as business interruption losses.

There was also the uncertainty of pre-election year which had direct and indirect impacts on business. This was made worse by the lingering energy and ASUU crises, all of these had multiplier effects on the private sector and economic activities. The year also witnessed a mass exodus of young professionals and families from Nigeria to Western countries like Canada, the UK, the USA etc. leading to the so-called” Japa syndrome”.

Our Financial Performance

Notwithstanding the increasingly difficult operating environment , the Company was able to grow the gross premium written(GPW) by 16% to N12.9billion as of December 2022 from N11.2billion recorded in prior year. The Company achieved an underwriting profit of N506million against a loss of N2.58billion in the prior year. This is an indication of improved operational efficiency during the period .

2023 Outlook

I am confident that despite the challenges of the macroeconomic climate of Nigeria, the Board of Directors and management team will continue to remain focused on delivering on our purpose and strategic initiatives to drive and achieve our long-term goals and objectives .

Conclusion

In closing, I would like to take this opportunity to extend my gratitude and best wishes to my colleagues on the Board, the shareholders, and management & staff of our company for your valuable counsel and work to ensure we actualize our corporate strategy .

Thank you and God Bless.

Chief Joshua B. Fumudoh
Chairman

MD/CEO's Statement

Mr. Daniel Braie
Managing Director

Our gross premium written(GPW) grew by 16% to ₦12.9billion as of December 2022 from ₦11.2billion recorded in prior year. The Company achieved an underwriting profit of ₦506million against a loss of ₦2.58billion in the prior year. Profit before tax stood at ₦2.7billion.

MD/CEO's Statement

Mr. Daniel Braie

It is my honour to present to you this 2022 FY financial report . Indeed , the year 2022 was significantly unstable for a number of challenges globally and the business environment .

The tough economic environment in 2022 didn't spare the insurance industry, which saw dried-up funding, tighter budgets, and competitive pressures. This year's economic outlook isn't much brighter, but insurance firms are set to disrupt the scene with new partnerships and technological advances.

Operating Environment

Globally, 2022 was challenging with the Russian-Ukraine conflict disruption of the supply chain of essential commodities resulting in increase in the prices of goods and inflation . These also had multiplier effects as increase in inflation, cost of doing business and dwindling purchasing power of the consumers in most economies of the world .

Nigeria and our macroeconomic environment were not insulated from these challenges. The Nigerian economic growth slowed to 22.5% year-on-year (YOY) in the third quarter of 2022 from 3.5% in the prior quarter . This was attributed to the weak performance in the energy sector. Like every other sector the insurance sector had its own share of the resultant effects of these challenges .

'As a corporate socially responsible organization, we shall continue to expand our services in the bid to give back to the communities where we do business and society as a whole. during the year 2022, we responded to households and businesses affected by the floods and to ngos, frsc, and others.'

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Product Offering & Fintech

As part of our agile strategy, we shall leverage on the technology to improve our products and services especially to our direct and

MD/CEO's Statement

personal clients. This is also part of digital transformation initiatives. Also, having recognized the impact of certain product lines like motor insurance according to their willingness and ability to pay.

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Work Life Balance & Manpower Development

Linkage Assurance Plc is committed to ensuring a work-life balance for our employees and a reduction in the cost of doing business. As a result of these, we embarked on Work-From Home(WFH) which allows us to adopt the hybrid work regime.

Conclusion

In order to control the increasing cost of doing business , we have put in place, initiatives and action plans that will drive our business development and operational processes to enable us to improve and achieve targeted corporate goals and objectives.

On behalf of the staff and management of Linkage Assurance PLC , I wish to assure you that we shall continue to make the organisation one of the leading brands in the general business insurance by God's grace.

Thank you .

Mr. Daniel Braie
Managing Director/CEO

Report of The Directors
For The Year Ended 31 December 2022

It is the pleasure of the Directors to submit their annual report together with the audited financial statements and independent auditor's report for the year ended 31 December 2022.

1. Legal status
The Company was incorporated on the 26th of March 1991 as a private limited liability company - Linkage Assurance Company Limited. It was registered by the National Insurance Commission on the 7th of October, 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a Public Limited Liability Company in 2003 and the Company's shares, which are quoted on the Nigerian Stock Exchange, were first listed on 18 November, 2003. In compliance with regulatory directives on re-capitalization in the Insurance Industry in 2007, the Company merged with the former Central Insurance Company Limited. The registered office of the Company is Plot 20 Block 94 Providence Street, Off Adewunmi Adebimpe Street, Lekki Phase 1, Lekki, Lagos, Nigeria.

2. Principal activity
The Company was registered to transact all classes of life and non-life insurance business, insurance claims payment and investments. Subsequently it disposed its life business in February 2007 and concentrated on the non-life insurance business.

3. Operating results

The following is a summary of the Company's operating results for the year:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Gross premium written	12,979,789	11,161,499
Profit / (Loss) before tax expense	2,696,182	(3,878,914)
Income tax expense	(129,291)	(111,724)
Profit / (Loss) after tax expense	**2,566,891**	**(3,990,638)**

4. Directors

The Directors who served during the year were as follows:

Name	Status	Appointment/ Resignation
Chief Joshua Bernard Fumudoh	Chairman	
Mr. Daniel Braie	Managing Director/CEO	
Mr Okanlawon Adelagun	Executive Director	
Mr. Tamunoye Zifere Alazigha	Non-Executive Director	Retired July 2022
Mr. Olakunle Bomo Agbebi	Non-Executive Director	
Mr. Bernard Nicolaas Griesel	Non-Executive Director	
Mrs. Funkazi Koroye-Crooks	Non-Executive Director	
Mr. Maxwell Ebibai	Non-Executive Director	
Mr. Pius Otia	Non-Executive Director	
Mr. Abubakar Shehu Dahiru	Independent Director	Retired June 2022
Mrs Valentina Marinho	Independent Director	Appointed 9th August 2022

5. Directors interest in shares
The interests of the Directors in the issued share capital of the Company as recorded in the register of members as at 31 December 2022 and as notified by them for the purpose of fulfilling Section 301 of the Companies and Allied Matters Act (CAMA) 2020 are as follows:

	2022 Direct	2022 Indirect	2022 Total	2021 Direct	2021 Indirect	2021 Total
Chief Joshua Bernard Fumudoh*	-	-	-	-	-	-
Mr. Tamunoye Zifere Alazigha*	-	-	-	-	-	-
Mr. Olakunle Bomo Agbebi	-	-	-	-	-	-
Mr Okanlawon Adelagun	-	-	-	-	-	-
Mr. Bernard Nicolaas Griesel	-	1,858,165,841	1,858,165,841	-	1,858,165,841	1,858,165,841
Mr. Daniel Braie	-	-	-	-	-	-
Mrs. Funkazi Koroye-Crooks*	-	-	-	-	-	-
Mr. Maxwell Ebibai*	-	-	-	-	-	-
Mr. Abubakar Shehu Dahiru	-	-	-	-	-	-
Mrs. Valentina Marinho	-	-	-	-	-	-

*Directors representing the interest of Bayelsa State Ministry of Finance Incorporated (BSMFI)

Report of The Directors
For The Year Ended 31 December 2022

Directors with indirect interest in the issued share capital of the Company as recorded in the Register of members were as follows:

Name of shareholder	Institution represented	No. of Shares 31 Dec 2022	No. of Shares 31 Dec 2021
Mr. Bernard Nicolaas Griesel	Stanbic IBTC Nominees Nigeria	1,858,165,841	1,858,165,841

6. **Contracts**
In accordance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, all contracts with related parties were conducted at arms length. Information relating to related parties transactions are contained in Note 45 to the financial statements.

7. **Shareholding**
The Company's issued share capital of ₦7 billion is made up of 14 billion ordinary shares of 50k each which are held by Nigerian individuals and institutional investors. According to the register of members, no shareholder other than the following held more than 5% of the issued share capital of the Company as at 31 December 2022.

Shareholders	Units Held	% of Holdings
Bayelsa State Ministry of Finance Incorporated (BSMFI)	7,480,787,548	53.43%
Stanbic IBTC Nominees Nigeria Limited	1,858,165,841	13.27%
Apel Asset Limited - Nominee	797,021,424	6%

b) Analysis of shareholding structure

i) As at 31 December 2022

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	10,581	47.70	50,016,493	0.36
10,001 - 50,000	7,254	32.70	169,437,352	1.21
50,0001 - 100,000	1,950	8.79	141,285,419	1.01
100,001 - 500,000	1,886	8.50	387,744,403	2.77
500,001 - 1,000,000	235	1.06	169,122,836	1.21
1,000,001 - 5,000,000	196	0.88	420,166,875	3.00
5,000,001 - 10,000,000	23	0.10	170,808,672	1.22
10,000,001 - 50,000,000	41	0.18	903,552,760	6.45
50,000,001 - 100,000,000	5	0.02	366,430,709	2.62
100,000,001 - 500,000,000	7	0.03	1,085,459,668	7.75
500,000,001 - 10,000,000,000	3	0.01	10,135,974,813	72.40
Grand Total	**22,181**	**100**	**14,000,000,000**	**100**

i) As at 31 December 2021

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	10,540	47.49	50,171,670	0.36
10,001 - 50,000	7,271	32.76	169,792,549	1.21
50,0001 - 100,000	1,961	8.84	142,191,883	1.02
100,001 - 500,000	1,898	8.55	388,651,031	2.78
500,001 - 1,000,000	244	1.10	174,920,026	1.25
1,000,001 - 5,000,000	198	0.89	421,787,545	3.01
5,000,001 - 10,000,000	26	0.12	187,334,935	1.34
10,000,001 - 50,000,000	40	0.18	876,251,481	6.26
50,000,001 - 100,000,000	4	0.02	314,025,261	2.24
100,000,001 - 500,000,000	7	0.03	1,226,460,900	8.76
500,000,001 - 5,000,000,000	3	0.01	10,048,412,719	71.77
Grand Total	**22,192**	**100**	**14,000,000,000**	**100**

Report of The Directors
For The Year Ended 31 December 2022

8. Human Resources

i. Employment of disabled persons
As a matter of policy, the Company does not discriminate against disabled persons in line with the Discrimination against Persons with Disabilities (Prohibition) Act. Full and fair consideration is given to applications for employment received from disabled persons, with due regard to their particular aptitudes and abilities. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2022, the Company had no disabled persons in its employment.

ii. Employee's learning & development
The Company is committed to staff learning and development to improve their Knowledge, Skills & Abilities (KSAs), for improvement of their performance and productivity on the job, personal and professional upscaling for career development and for business productivity. They are constantly informed of new developments in the industry and this cut across all categories of employees. During the year under review, the Company utilized the professional training services of several organizations for the benefit of staff.

iii. Health, safety at work and staff welfare
In line with the Occupational Health & Safety Regulations (2020) the company has a robust HSE system in place to ensure that the safety of staff is adequately catered for while at work. Regular safety audits and risk assessments are conducted to ensure that all safety measures are in place always and regular fire drills are conducted to keep employees alert. The Company engages the services of Health Maintenance Organizations (HMO) towards meeting the medical needs of the employees and their immediate families at its expense. The Company also provides adequate transportation and housing facilities for all levels of employees.

iv. Gender Composition
We have a diverse workforce as our employment policy shows no discrimination to gender or nationality. In accordance with international best practice, women are well represented at both the Board, Senior Management and the entire workforce.

Gender Distribution for Year 2022 Ending December 31, 2022

Composition of Employees	Number	Percentage (%)
Female	72	45
Male	88	55
Total	**160**	**100**
Board Composition by Gender		
Female	2	22.2
Male	7	77.8
Total	**9**	**100**
Top Management Composition by Gender (Executive Director-CEO)		
Female	0	0
Male	2	100
Total	**2**	**100**
Top Management Composition by Gender (GM- Principal Manager)		
Female	2	20
Male	8	80
Total	**10**	**100**

9. Securities Trading Policy
The Company has a Securities Trading Policy which governs the trading of the Company's Securities by insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed complying with the Nigerian Exchange Limited Rules as well as the Company's Securities Trading Policy.

10. Code of Business Conduct and Ethics
The Company has Code of Business Conduct and Ethics for Directors and Code of Business Conduct and Ethics for Employees. Directors are bound by the Code of Business Conduct and Ethics for Directors while the Management and Employees are bound by the Code of Business Conduct and Ethics for Employees which they subscribed to at the time of engagement.

Report of The Directors
For The Year Ended 31 December 2022

11. Complaints Management Policy Framework
The Company has developed a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission's Rules on Complaints Management Framework of the Nigerian Capital Market which guides the Company, being a publicly listed Company on the Nigerian Stock Exchange (NSE), on how to handle and resolve complaints arising from issues regarding to the Company's operations. The purpose of the Policy is to establish an effective and efficient complaints management system that is responsive, confidential, equitable and transparent.

The Policy:
i. Provides an avenue for customer's complaints and dispute resolutions.
ii. Recognizes, promotes and protects the customer's right including the right to comment and provide feedback on service;
iii. Provides an efficient, fair and accessible framework for resolving customer complaints and monitoring feedback to improve service delivery;
iv. Informs customers on the customer feedback handling processes; and
v. Provide staff with information about customer feedback handling process.

The framework functions to enable complaints to be fairly investigated and possible conflicts of interest to be identified and mitigated. The Policy is endorsed by the Board of Directors and ensures full implementation and monitors compliance through Senior Management. The Policy is accessible through the Company's website.

12. Property and equipment
Changes in property and equipment during the year under review are shown in note 15 to the financial statements. In the opinion of the directors, the market value of the Company's assets is not lower than the value shown in the financial statements.

13. Acquisition of own shares
The Company did not purchase its own shares during the year under review.

14. Fines and penalties
The Company did not pay any fines/penalties to regulators during the year (2021: Nil).

15. Remuneration Policy
Linkage Assurance Plc has an established remuneration framework for the Board and employees which aligns with the provisions of extant laws and regulations. The Company remuneration policy is geared towards attracting, retaining and motivating the best talents at the Board and Management levels to achieve the company's financial strategic objectives. Linkage Assurance Plc ensures that the Board and Management set levels which are fair and competitive taking into consideration the economic realities in the financial services sector and the Nigerian Code of Corporate Governance, 2018.

As part of the requirement of section 257 of CAMA 2020, included in the personnel cost (Note 45) are remuneration of Managers who for this purpose are part of the Executive Management Team of the company.

16. Directors' Remuneration
The Company ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators.

Type of package fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. Reflects the Insurance Industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
Other Allowances	Part of gross salary package for Executive Directors only. Reflects the Insurance Industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid at periodic interval during the financial year.
Director Fees	Paid quarterly to Non-Executive Directors only	Paid at the end of every quarter.
Reimbursable Marketing Allowance	Paid annually to both Executive and Non-Executive Directors	Paid annually
Sitting Allowance	Allowances paid to Non-Executive Directors only for attending Board and Board Committee meetings.	Paid after each meeting.

Report of The Directors
For The Year Ended 31 December 2022

17. Events after reporting date

There are no significant events after the reporting date which could have had a material effect on the financial affairs of the Company as at 31 December 2022 and on the profit or loss and other comprehensive income for the year ended.

18. Audit committee

The following persons served as members of the committees during the year:

S/N	Name	Designation	Status
1	Mr. Balogun Shamusideen Olalekan	Chairman	Shareholder
2	Mr Sunday Orji	Member	Shareholder
3	Mrs. Esther O. Osijo	Member	Shareholder
4	Mr. Pius Otia	Member	Non-Executive Director
5	Mr. Tamunoye Alazigba*	Member	Non-Executive Director

*Exited the Committee in July, 2022 and was replaced by Mr. Maxwell Ebibai

19. Auditor

Messrs. Ernst & Young (EY) acted as the Company's independent auditor during the financial year ended 31 December 2022. The independent auditor's report was signed by Babayomi Ajijola, a partner in the firm, with Financial Reporting Council (FRC) membership number FRC/2013/ICAN/00000001196. Messrs. Ernst & Young (EY) has indicated willingness to continue in office as auditor in accordance with S.401(2) of the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria.

20. Donations

Donations during the year ended 31 December 2022 amounted to N1.5 million (2021: N3.60 million). The beneficiaries are as follows:

2022

Description	Organization	Amount (₦)
Sponsorship for Down Syndrome	Down Syndrome Foundation of Nigeria	1,500,000

BY ORDER OF THE BOARD

Company Secretary
Mr. Moses Omorogbe
FRC/2017/NBA/00000017141

16 March 2023

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Corporate Governance

Sustainability Report

The long-time survival of our business is hinged on sustainable business practices. We have therefore tailored our business operations to entrench sustainable business practices.

We carry out our business operations with the consciousness of providing sustainable returns to our employees, shareholders, and other stakeholders. We have developed and entrenched good corporate governance and ethical standards in our day-to-day operations.

Corporate Governance

We subscribe to the Nigerian Code of Corporate Governance (NCCG), the NAICOM, and the SEC Guidelines on Corporate Governance. Our processes are structured to ensure strict compliance with the NCCG, the NAICOM & SEC Guidelines of corporate governance.

We are continuously refining our processes to ensure alignment with both local and international best practices on corporate governance.

The Board is conscious of its overall responsibility to entrench good corporate practice and has put in necessary modalities to monitor the implementation of the corporate governance framework.

The corporate governance framework is periodically reviewed and benchmarked against the Codes of Corporate Governance and international best practices. The review is usually carried out by reputable external consultants who assess the Company's level of corporate governance practice with best practices.

Business Practices

We are focused on our vision to deliver superior service to our esteemed customers and returns to our shareholders through best business practices. Our business practices are guided by the vision and mission statements.

We understand the unique role insurance is expected to play in gradually reviving the global economy. As a matter of fact, we have put together a unique set of corporate insurance solutions against individual and business risks.

We have strategically designed our services to support government efforts to diversify the economy through agriculture, power, and manufacturing. In this regard, we have designed products aimed at meeting the insurance needs of these sectors.

Our retail products are designed towards deepening insurance penetration in the country. Over the years, we have invested in digital infrastructure to drive the retail arm of the business with a specific focus on the need of individuals and small-scale businesses.

Compliance with relevant laws and regulation is critical for business sustenance, in that regard, we have fine-tuned our governance structure to ensure continued respect and compliance while carrying on our business. we have over the years created good working relationships with our regulators and have fulfilled our obligations to the States where we operate and the Federal Government.

Environmental Sustainability

We have set up a framework to promote the protection of our local government, our effects include deliberate and targeted reduction of the use of paper. We are developing a robust digital document management system that eliminates or drastically reduces the use of paper. We have also adopted a safe waste management and disposal system.

In the past few years, we have involved ourselves in the areas of providing support for victims of environmental-related disasters such as flooding. Drugs and other materials were distributed to people and communities that were displaced by the flooding that ravaged some parts of the Country. Our goal is to ensure that our activities have a very minimal impact on the environment.

Anti-Corruption

We recognize the danger corruption poses to the long-time survival of businesses and have put in place necessary anti-corruption policies and processes. We have zero tolerance for corruption in our operations.

We ensure our business operations comply with national and global anti-corruption standards. Our anti-corruption policies and processes are crafted in line with international best practices.

There is a robust corruption reporting process and Whistle-blower Policy. Employees and members of the public are encouraged to use our corruption reporting channels to report cases of corruption.

Occupational Health & Safety

We take safety in the work environment and the health of workers. seriously. All our work environments are equipped with the necessary facilities that promote safety within the workplace.

Our health insurance package is tailor-made to carte to the diverse health needs of our workforce. Our working hours are in line with local and international regulations.

We try to live up to our core values through the philosophy of diversity and inclusion practices in our business. We always aim to provide equal opportunities that will enable all our employees to learn, grow and build successful careers for themselves. We ensure that all our employees are treated fairly and with respect regardless of their nationality, tribe, sexual orientation, or religious beliefs.

It is our belief that respect for human rights is critical and fundamental to a stable work environment. We are therefore committed to providing a work environment that is conducive for individuals and groups to carry out duties and contribute positively to the prosperity of the Company.

Board Evaluation Report

DCSL Corporate Services Limited
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Ilupeju
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Lagos, Nigeria
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info@ dcsl.com.ng
www.dcsl.com.ng

Abuja Office:
1st Floor, The Statement Hotel
Plot 1002, 1st Avenue, Off
Shehu Shagari Way,
Central Business District
By Abia House and
Federal High Court Abuja

RC NO. 352393

15th May 2023

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LINKAGE ASSURANCE PLC FOR THE YEAR-ENDED DECEMBER 31, 2022

In line with the provisions of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG") and Section 4.01 (i) and (ii) of National Insurance Commission (NAICOM) Corporate Governance Guidelines, 2021 (NAICOM Guidelines) and Guideline 9 of the Securities and Exchange Commission (SEC) Corporate Governance Guidelines for Public Companies in Nigeria issued in 2020 ("SCGG"),** DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of Linkage Assurance Plc ("Linkage Assurance") for the year-ended 31st December 2022.

The appraisal involved the benchmarking of the performance of the Board against the provisions of the NAICOM Guidelines, SCGG and the NCCG and entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us, the administration of questionnaires as well as interviews with the Directors and select members of the Executive Management team. To ascertain the extent of compliance with relevant corporate governance principles, and the performance of the Board in general, we benchmarked the Company's corporate governance structures, policies and processes against the provisions of the NAICOM Guidelines, SCGG and the NCCG as well as global Best Practices using the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Following the review of the policies and processes operating in the Company, we confirm that the Board of Directors is committed to the implementation of best corporate governance practices and adherence to the principles enshrined in in the NAICOM Guidelines, SCGG and the NCCG, as well as globally accepted corporate governance best practices. Furthermore, we confirm that Board is committed to setting the pace for the observance of the highest ethical standards and transparency in the conduct of the Company's business.

We have proffered recommendations to address areas that require improvement and are satisfied that the Board has taken due notice of these.

Please accept the assurances of our highest regards and esteem.

Yours faithfully,

For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: Abel Ajayi (Chairman) • Obi Ogbechi • Seni Ogunsanya • Adebisi Adeyemi (Managing Director)

DCSL Corporate Services Limited

Corporate Governance Report
For The Year Ended 31 December 2022

Linkage Assurance Plc ("Linkage") is committed to implementing the best practice standards of Corporate Governance.

The Board of Linkage is mindful of its obligations under the National Insurance Commission guideline on Corporate Governance, the Securities & Exchange Commission, Nigerian Code for Corporate Governance (NCCG) as well as the Post Listing Rules & Requirements of the Nigerian Stock Exchange.

The Company's high standard in Corporate Policies and Governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all Stakeholders. The business of the Company is conducted with high level of Integrity.

Board Selection and Appointment Process
The Board of the Company follows a formal and transparent process for the selection and appointment of Directors. The appointment of executive and non-executive directors to the Board follows a formal and transparent process and in accordance with the Companies and Allied Matters Act, CAP, C20 LFN, 2004, NAICOM guideline on Corporate Governance, SEC guideline on Corporate Governance and the Company's internal policy for appointment of Directors.

The Board Enterprise Risk Management & Governance Committee oversees the process of the selection and interview of prospective appointees to the Board. The Committee carefully analyses the business and strategic plans of the Company vis-à-vis the existing strengths and weaknesses, the skills and experience gaps in the Board in selecting a suitable candidate for appointment.

External Consultants may be engaged to conduct the search for suitable candidates that meet the criteria set by the Board.

The Committee shortlist and interview candidates with the requisite skills and experience, thereafter conduct formal background check of the prospective candidates to ensure that they are fit and proper persons to be appointed to the Board.

Successful candidates are presented to the Board for approval in a meeting duly convened in accordance with the articles of association of the Company. The Candidate(s) name is forwarded to NAICOM for approval. While the Company Secretary notifies the Nigerian Exchange Limited and the Securities and Exchange Commission of the appointment and also file the relevant forms with the Corporate Affairs Commission (CAC). The appointment of the candidate(s) by the Board is presented to the Shareholders for ratification at the next Annual General Meeting of the Company.

Induction and Continuous Training of Directors
Newly appointed Directors are familiarized with the operations of the Company through a formal induction program. The new directors are provided with detailed information about the operations of the Company and their roles and responsibilities. The new Directors are also provided with the Memorandum and Articles of Association and other relevant information materials of the Company. Directors are availed with periodic continues training programs to deepen their knowledge and understanding on emerging trends in the insurance industry and corporate governance. The trainings are usually facilitated by reputable training agencies.

Roles and Responsibilities of The Board
The Board reserves to itself all functions that are likely to have a material impact on the performance and reputation of the Company.

The following matters are specifically reserved for the Board:

i. Provide leadership and setting the strategic objectives of the Company and ensures that the human and financial resources are effectively deployed towards attaining the set goals.
ii. Ensure effective succession planning for the Chairman, the Executive Directors and the MD/CEO.
iii. Overseeing the integrity of the Company's accounting and corporate reporting systems including external audit.
iv. Ensuring the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects Management to operate.
v. Approval of the Company's remuneration framework and other Policy documents.
vi. Approval and monitoring Compliance with the corporate governance framework of the Company.
vii. Approval and monitoring of the operating budget and major capital expenditures.

Corporate Governance Report

For The Year Ended 31 December 2022

Biographical Details of New Director and Directors for Re-election

Mrs. Valentina Marinho is the Head, Commercial Business Support at NLNG. She is a graduate of accounting and a chartered accountant with over 20 years' experience. She has held senior-level managerial positions in reputable companies. Mrs. Marinho is a member of the Institute of Chartered Accountants of Nigeria (ICAN). An alumnus of the University of Jos (B.Sc., Accounting) and Lagos Business School (MBA).

Mr. Olakunle Agbebi is the Founder/Principal Partner of Olakunle Agbebi & Co. He has 30 years post-call experience in legal practice. He has extensive experience in litigation, business e-organization and restructuring, corporate governance, and regulatory compliance. He is also the Chairman of OA & C Properties Limited. He is an alumnus of the University of Jos (LL. B) and the University of Lagos (LL.M). A member of the Nigerian Bar Association.

Mr. Bernard Nicolaas Griesel is an Equity Analyst at Steyn Capital Management, South Africa. He has wide experience in research, audit, and investment analysis. Mr. Griesel is a chartered accountant and a member of the South African Institute of Chartered Accountants. He is an alumnus of the University of Stellenbosch (BSc, Accountancy).

Corporate Governance Structure

The Board

The Board of Directors of Linkage, comprising of Nine (9) members is accountable to the shareholders and also responsible for the control, management and periodic review of the Company's business strategy. The Board of Directors is also committed to ensuring that the Company adheres strictly to the regulations guiding the operations of the Insurance Industry and other financial services sector in Nigeria.

The Board of Directors performs its functions either as a full Board or through the under listed established statutory committee and Committees of the Board:

Statutory Audit Committee

The Committee is composed of 5 members as follows:

S/N	Name	Designation	Status
1	Mr. Balogun Shamusideen Olalekan	Chairman	Shareholder
2	Mr Sunday Orji	Member	Shareholder
3	Mrs. Esther O. Osijo	Member	Shareholder
4	Mr. Pius Otia	Member	Non-Executive Director
5	Mr. Tamunoye Alazigba*	Member	Non-Executive Director

*Exited the Committee in July, 2022 and was replaced by Mr. Maxwell Ebibai

This Committee, which is chaired by a shareholder, has the responsibility of ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee reviews the scope & planning of audit requirements and it is also responsible for other matters reserved for the Audit Committee by Section 404 of Companies and Allied Matters Act (CAMA) 2020 and the Company's Articles of Association.

Finance, Investment & General purpose Committee

The Committee is composed of 5 members as follows:

S/N	Name	Designation	Status
1	Mr. Bernard Nicolaas Griesel	Chairman	Non-Executive Director
2	Mr. Olakunle Agbebi	Member	Non-Executive Director
3	Mr. Daniel Braie	Member	Non-Executive Director
4	Mr. Pius Otia	Member	Non-Executive Director
5	Mr. Tamunoye Alazigba*	Member	Non-Executive Director

*Exited the Committee in July, 2022

This Committee reviews matters relating to the investment of the Company's funds, management of all other assets and makes recommendation to the Board for approval. It also ensures maximum returns on investments and protection of the Company's assets. Matters relating to the strategy for growth and advancement of the Company are also the responsibility of this committee.

Corporate Governance Report
For The Year Ended 31 December 2022

Enterprise Risk Management & Governance Committee
The Committee is composed of 5 members as follows:

S/N	Name	Designation	Status
1	Mr. Olakunle Agbebi	Chairman	Non-Executive Director
2	Mrs. Funkazi Koroye-Crooks	Member	Non-Executive Director
3	Mr. Maxwell Ebibai	Member	Non-Executive Director
4	Mr. Pius Otia	Member	Non-Executive Director
5	Mr. Tamunoye Alazigba*	Member	Non-Executive Director

*Exited the Committee in July, 2022

This Committee reviews and recommends for approval to the Board, matters bordering on Board Appointments, Staff Recruitment, Staff Compensation, Welfare and Promotions. The Committee periodically evaluates the Company's wish and also provides appropriate advice and recommendations on matters relevant to wish Management.

Audit & Compliance Committee
The Committee is composed of 4 members as follows:

S/N	Name	Designation	Status
1	Mr. Shehu Abubakar*	Chairman	Independent Director
2	Mrs. Funkazi Koroye-Crooks	Member	Non-Executive Director
3	Mr. Bernard Nicolaas Griesel	Member	Non-Executive Director
4	Mr. Pius Otia	Member	Non-Executive Director

*Exited the Committee in June, 2022

This Committee assists the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the performance of the internal audit function, the identification, assessment, management of the Company's risks and adherence to internal risk management policies and procedures.

Executive Management Committees
These are Committees comprising senior management of the Company. They are set to ensure that all risk limits as contained in Board and regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. The Committees are risk driven as they are set up to identify, analyze, synthesize and make recommendations on risks arising from within the Company's operating environment. The Committees meet as frequently as risk issues occur to immediately take actions and decisions within the confines of their powers. The Committees include the Executive Management Committee, Management Investment Committee, Business Strategy Committee and the Management Enterprise Risk Committee.

Internal Audit Function
In consonance with the commitment of the Company to be a dynamic world class Company fully accountable to the Board of Directors and shareholders, the Internal Audit Unit has been further strengthened with the recruitment of additional staff to broaden its scope and thus enhance the control and oversight service rendered at Management level.

The Internal Audit is a Control Unit established within the Management to independently examine and evaluate the activities of the Company. The Company's Internal Audit Unit reports to the Audit Committee.

Shareholders' Relationship
The Company is accountable and committed to the shareholders and uses various fora to advise shareholders on the performance of the Company. This includes annual report and accounts, access to the Company Secretary by shareholders for all enquiries and free interactions with the members of the Board during Annual General Meetings.

Company Secretary
All stakeholders have access to the services of the Company Secretary. The Company Secretary is responsible for facilitating the induction and professional development of Board Members as well as ensuring information flow within the

Corporate Governance Report
For The Year Ended 31 December 2022

Board, its Committees and Management of the Company. Attendance at the Board and committee meetings during the year ended 31 December 2022 is as follows:

Key:
N/A
X Absent at meetings

S/N	Names of Directors	25-Feb-22	17-Mar-22	28-Apr-22	28-Jul-22	27-Oct-22
1	Chief Joshua Bernard Fumudoh	1	1	1	1	N/A
2	Mr. Tamunoye Zifere Alazigha	1	1	1	1	1
3	Mr. Olakunle Agbebi	1	1	1	1	1
4	Mr Okanlawon Adelagun	1	1	1	1	1
5	Mr. Bernard Nicolaas Griesel	1	1	1	1	1
6	Mr. Daniel Braie	1	1	1	1	1
7	Mrs. Funkazi Koroye-Crooks	1	1	1	1	1
8	Mr. Maxwell Ebibai	1	1	1	1	1
9	Mr. Abubakar Shehu Dahiru	1	1	1	N/A	N/A
10	Mrs. Valentina Marinho	N/A	N/A	N/A	N/A	1
11	Mr. Pius Otia	1	1	1	1	1

Attendance at The Finance, Investment & General Purpose Committee Meetings held during the year ended 31 December 2022

S/N	Names of Directors	24-Feb-22	27-Apr-22	26-Oct-22	27-Jul-22
1	Mr. Bernard Nicolaas Griesel	1	1	1	1
2	Mr. Daniel Braie	1	1	1	1
3	Mr. Tamunoye Alazigha	1	1	N/A	1
4	Mr. Olakunle Agbebi	1	1	1	1
5	Mr. Pius Otia	N/A	1	1	1

Attendance at the Statutory Audit Committee Meetings held during the year ended 31 December 2022

S/N	Names of Directors	23-Feb-22	26-Apr-22	26-Jul-22	25-Oct-22
1	Mr. Shamusideen O. Balogun	1	1	1	1
2	Engr. S. A. Orji	1	1	1	1
3	Mrs. Esther O. Osijo	1	1	1	1
3	Mr. Tamunoye Alazigha	1	1	1	N/A
5	Mr. Pius Otia	N/A	1	1	1

Attendance at the ERM & Governance Committee Meetings held during the year ended 31 December 2022

S/N	Names of Directors	24-Feb-22	27-Apr-22	27-Jul-22	26-Oct-22
1	Mr. Olakunle Agbebi	1	1	1	1
2	Mrs. Funkazi Koroye-Crooks	1	1	1	1
3	Mr. Maxwell Ebibai	1	1	1	1
4	Mr. Tamunoye Alazigha	1	1	1	N/A
5	Mr. Shehu D. Abubakar	1	1	N/A	N/A

Attendance at the Board Audit & Compliance Committee Meetings held during the year 31 December 2022

S/N	Names of Directors	23-Feb-22	26-Apr-22	26-Jul-22	26-Oct-22
1	Mr. Shehu D. Abubakar	1	1	N/A	N/A
2	Mrs. Funkazi Koroye-Crooks	1	1	1	1
3	Mr. Bernard Nicolaas Griesel	X	1	1	1
4	Pius Otia	N/A	1	1	1

Report of the Statutory Audit Committee

Report of the Audit Committee to the members of Linkage Assurance Plc
In compliance with the Provisions of Section 404(4) of the Companies and Allied Matters Act (CAMA) 2020, we the members of the Audit Committee of Linkage Assurance Plc received the Audited Financial Statements for the year ended 31 December 2022 together with the Management Letter from the external auditors and management responses thereto at a duly convened meeting of the committee and hereby report as follows:

We confirm that;

1 We have received the scope and planning of the audit for the year ended 31 December 2022;

2 We reviewed the external auditor's Management Letter together with management responses; and

3 We ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2022 are in accordance with legal requirement and agreed with ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2022 were adequate and management responses to the auditor's findings were satisfactory.

We confirm that the internal control system was consistently and effectively monitored through effective internal audit.

The external auditors confirm that they received full cooperation from the management during the course of the statutory audit. The Committee therefore recommends that the audited financial statements for the year ended 31 December 2022 and the Auditors' report thereon be presented for adoption by the Company at the Annual General Meeting.

AJBalogun

Mr. Shamusideen O. Balogun
FRC/2015/NIM/00000013086
Chairman, Audit Committee
16 March 2023

Members of the Committee

S/N	Name	Status
1	Mr. Balogun Shamusideen Olalekan	Shareholder
2	Mr Sunday Orji	Shareholder
3	Mrs. Esther O. Osijo	Shareholder
4	Mr. Pius Otia	Non-Executive Director
5	Mr. Tamunoye Alazigha*	Non-Executive Director

*Exited the Committee in July, 2022 and was replaced by Mr. Maxwell Ebibai

Enterprise Risk Management Declaration Statement

In accordance with the requirements of Section 2.10 of NAICOM's guidelines for developing risk management framework of 2012, the Board of Directors of Linkage Assurance Plc. hereby declares that, to the best of its knowledge and belief, and having made appropriate enquiries:

a. the Company has systems in place for the purpose of ensuring compliance with the guideline;

b. the Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company;

c. the Company has in place a risk management strategy, developed in accordance with the requirements of this guideline, setting out its approach to risk management; and

d. the systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the Company, having regard to such factors as the size, business mix and complexity of the Company's operations.

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
16 March 2023

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
16 March 2023

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in Relation to the Preparation of Financial Statements

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
16 March 2023

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
16 March 2023

Statement of Corporate Responsibility for the Financial Statements per the provisions of section 405 of the Companies and Allied Matters Act 2020

We, the Managing Director and Chief Financial Officer undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December 2022 that:

(i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- any untrue statement of a material fact, or
- omission to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;
- to the best of our knowledge, the financial statements 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 periods presented in the report.

(ii) We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

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

- all significant deficiencies 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
- any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

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.

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
16 March 2023

Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
16 March 2023

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Linkage Assurance Plc ('the Company'), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards , the provisions of the Companies and Allied Matters Act, 2020, the insurance Act 2003, and relevant circulars issued by the National Insurance Commission of Nigeria ("NAICOM") and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC - Continued

Key Audit Matter	How the matter was addressed in the audit
Actuarial valuation of insurance contract liabilities The Company has material insurance contract liabilities (outstanding claims) of ₦9.57 billion (2021: ₦8.87 billion) representing 63% (2021: 65%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit. At each reporting date, the Company reviews its unexpired risk, and a liability adequacy test is performed. Provision for reported claims is based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported involve judgment and economic assumptions. Consistent with the insurance industry practice and regulatory guideline, the Company engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year-end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities, related accounting policies and significant judgments and assumptions are disclosed in Notes 18.1, 4.22 and 6.2 respectively to the financial statements.	Our audit procedures included the following: ▪ We reviewed and documented management's process for estimating non-life policy claims. ▪ We assessed the design of internal controls over the integrity of underwriting and claims data in the system as well as over the reserving and claims processes. ▪ We performed file reviews of specific underwriting contracts in order to maximize our understanding of the book of business and validate initial loss estimates. ▪ We tested subsequent year claim payments to confirm the reasonableness of the initial loss estimates. With the assistance of our in-house actuarial specialists, we performed the following audit procedures on the Company's actuarial reports: ▪ We considered the appropriateness of the economic assumptions used in the valuation of the insurance contracts with reference to the Company's and industry's data and expectations of investment returns, and expense developments. ▪ We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contracts by reference to Company-specific and industry data. ▪ We assessed the competence and objectivity of the Company's independent actuary, confirming they are qualified and affiliated with the appropriate industry bodies. We reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with required guidelines of National Insurance Commission (NAICOM).

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC - Continued

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment in an unquoted equity instrument The Company has a material investment of ₦14.68 billion (2021: ₦17.6 billion) in an unquoted equity instrument classified as available for sale and measured at fair value through other comprehensive income. The fair value of the investment is estimated using the Discounted Cash-Flows (DCF) method which requires significant estimates and assumptions including a financial forecast of the investee, growth rates, and discount factors. The significant judgment involved and uncertainty in relation to estimation of future cash flows and other assumptions make this an area of significance to our audit. Investment in unquoted equity instruments (including significant assumptions and judgments) and related accounting policies are disclosed in Notes 8.2, and 4.2.1 respectively to the financial statements.	Our audit procedures included the following: With the assistance of our in-house valuation specialists, we performed the following audit procedures: • We evaluated the appropriateness of the valuation methodology employed by the external expert and assessed the reasonableness of underlying assumptions used in determining the fair value of the investment in an unquoted equity instrument. • We assessed the competence, capabilities, and objectivity of the external expert engaged by the directors. We also verified and assessed the expert's qualifications and experience. We discussed the scope of work and confirmed that no scope limitations were imposed upon the expert by the directors. • We reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with disclosure requirements of relevant accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Linkage Assurance Plc Annual Report for the year ended 31 December 2022", which includes the Corporate Information, the Financial Highlights, the Directors' Report, Report of the Statutory Audit Committee, Enterprise Risk Management Declaration Statement, Statement of Directors' responsibilities, the Certification of Financial Statements, and Other National Disclosures as required by the Companies and Allied Matter Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011, and the Corporate Governance report as required by NAICOM and the Nigerian

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC - Continued

Securities and Exchange Commission, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 the Insurance Act 2003, and relevant circulars issued by the National Insurance Commission of Nigeria ("NAICOM") and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC - Continued

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LINKAGE ASSURANCE PLC - Continued

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 requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, and Section 28(2) of the Insurance Act, 2003, we confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company in so far as appears from our examination of those books;
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Contraventions

The Company did not incur any penalty or fine in respect of any contraventions during the financial year.

Babayomi Ajijola
FRC/2013/ICAN/00000001196
For Ernst & Young
Lagos, Nigeria

31 March 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0090637

Board Of Directors

CHIEF JOSHUA B. FUMUDOH
CHAIRMAN

Managing Director of
Manufacturing and Marketing Co. (Nig.) Ltd.
Chairman, Boston Capital Investment Ltd.
Chairman, BCI Global Properties Ltd.
Chairman, MAMCO-Bayelsa Palm.
Director, National E-Government Strategies Ltd.
President Ijaw National Congress (1994-2000).
Member, National Political Reforms Conference, 2005
Member, National Conference,2014.
Alumnus, University of Lagos

MR. DANIEL BRAIE
MANAGING DIRECTOR

Chartered Insurance Practitioner
of over 37 years standing.
Former General Manager (Operations)/Company
Secretary-Trust & Guarantee
Insurance Co.Ltd.
Former DGM/Group Head
(Enterprise Marketing) - Crusader Nigeria Plc.
Former Managing Director- Eloms Nigeria Enterprises.
Alumnus- West African Insurance Institute, Liberia.
Alumnus - Enugu State University of Science &
Technology (ESUT Business School).
Associate - Nigerian Institute of Management
Alumnus : INSEAD Business School
Alumnus: Harvard Business School

MRS. FUNKAZI KOROYE-CROOKS
NON-EXECUTIVE DIRECTOR

Commissioner Bayelsa State Ministry of Trade,
Industry and Investment.
Former Special Adviser to the Bayelsa State Governor on
International Development and Partnership.
Company Secretary, Petrobay Nigeria Ltd.
General Counsel/Company Secretary, Bayelsa
Development and Investment Company.
Magistrate (Youth) Hounslow Bench, West London
(currently on leave of absence.
Appeal Court Magistrate (currently on leave of absence).
Former Consultant, World Intellectual Property Organization
(WIPO).
Former, Head of the Africa Department, International.
Federation of the Phonographic Industry (IFPI).
Alumnus University of Ife.
Alumnus, Nigerian Law School.
Alumnus, London School of Economics

MR. OLAKUNLE AGBEBI
NON-EXECUTIVE DIRECTOR
(MINORITY SHAREHOLDERS)

Founding/Principal Partner,Olakunle Agbebi & Co.
Chairman, OA & C Properties Limited.
Former Director, TMC Savings & Loans Limited.
Member, Nigerian Bar Association.
Member, Business Recovery & Insolvency Practitioners
Association of Nigeria.
Alumnus, Nigerian Law School.
Alumnus, University of Jos.
Alumnus University of Lagos

Board Of Directors

MR. BERNARD NICOLAASGRIESEL
NON-EXECUTIVE DIRECTOR

Analyst, Steyn Capital Management, South Africa.
Member, South African Institute of Chartered Accountants.
Audit Senior, Deloitte & Touch LLP USA.
Audit Senior, Deloitte & Touch South Africa.
Alumnus, University of Stellenbosch South Africa.

MR. OKANLAWON ADELAGUN
EXECUTIVE DIRECTOR

Principal Consultant, Okadel Consulting
Executive Director (Business Development),
Union Assurance Plc
Managing Director, IGI Insurance(Ghana) Limited
Deputy-General Manager(Technical),
T & G Insurance Co. Ltd
Member of Chartered Insurance Institute (London)
Member Chartered Insurance Institute of Nigeria
Alumnus of University of Ibadan
Alumnus of Swiss Insurance Training Centre (SITC)

MR. MAXWELL EBIBAI
NON-EXECUTIVE DIRECTOR

Commissioner of Finance, Bayelsa State.
Former Senior Vice-President with the Asset Management Corporation of Nigeria (AMCON).
Former Assistant General Manager, Bank PHB Plc.
Associate, Standard Trust Bank Limited.
Alumnus University of Chicago Booth School of Business.
Alumnus, Bayero University.
Alumnus, Rivers State University of Science and Technology.

MRS. VALENTINA MARINHO
INDEPENDENT NON-EXECUTIVE DIRECTOR

Head Commercial Business Support, NLNG
Former Head NGL Marketing, NLNG
Former Head Price Assurance & Risk Management, NLNG
Former Accountant, Integrated Logistics Services
Member, Institute of Chartered Accountants of Nigeria
Alumnus, University of Jos (B.Sc, Accounting)
Alumnus, Lagos Business School, MBA

MR. PIUS OTIA
NON-EXECUTIVE DIRECTOR

Managing Director, Prime Project Montessori/ model School Ltd, Yenagoa
Former member of the Bayelsa State House of Assembly
Former Director Bayelsa State Properties and Investment Company Limited
Former Member, Bayelsa State Board of Internal Revenue,
Alumnus University of Port Harcourt
Alumnus Federal University of Technology, Owerri

Management Team

Mr. Daniel Braie
Managing Director

Mr. Okanlawon Adelagun
Executive Director
Technical

Mr. Anthony Saiki
Chief Marketing Officer

Mr. Emmanuel Otitolaiye
Chief Financial
Officer

Mr. Humphrey Ozegbe
Chief Human Capital Officer/
Head Management Services

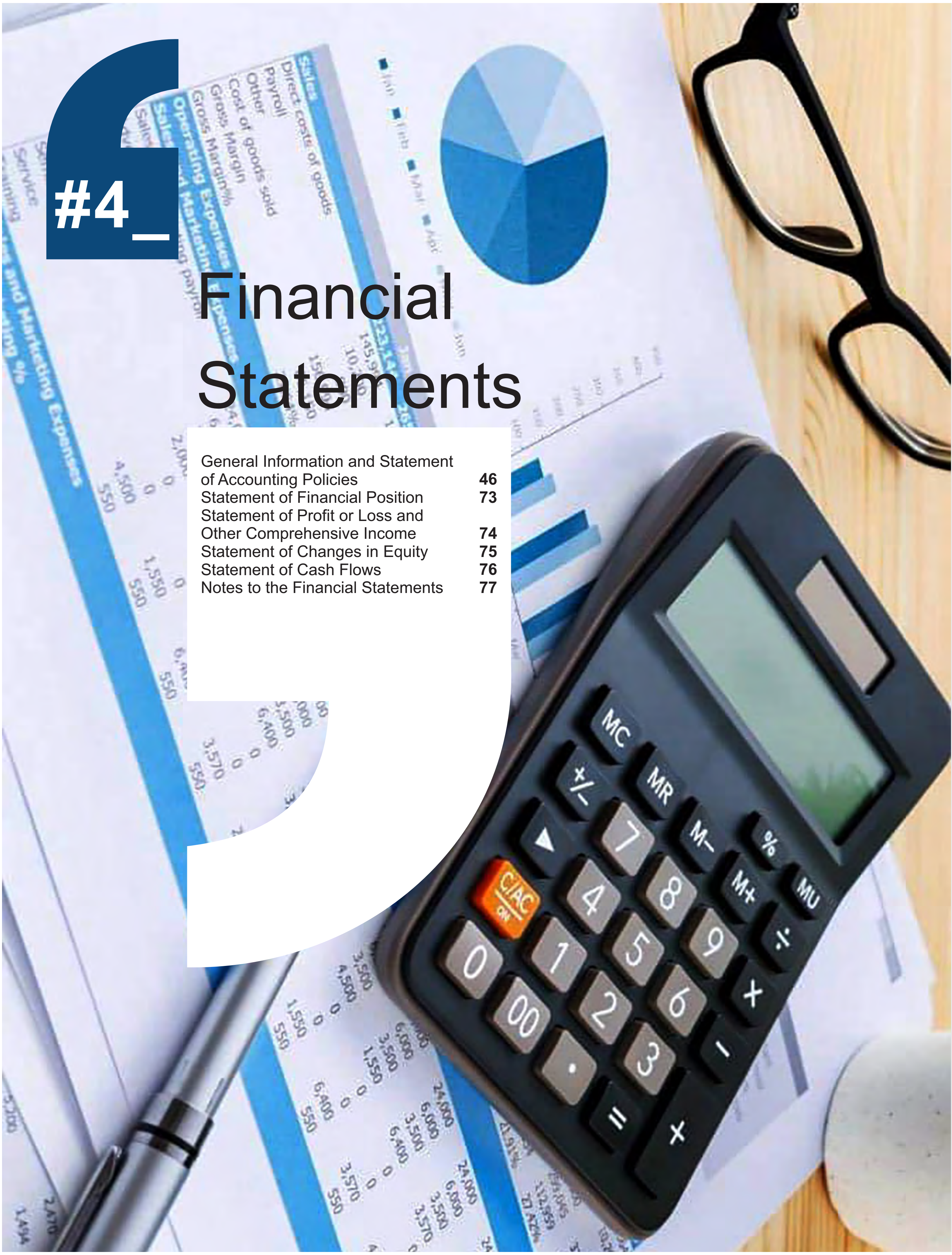
Mr. Taoheed Sikiru
Chief Internal Auditor

Mr. Imo Imo
Chief Strategy &
Product Officer

Ms. Mayen Umoren
Lead, Technical Practice

Mrs. Modupeade Adepoju
Head, ERM/Compliance

Mr. Damilare Adewale
Chief Technology Officer



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Financial Statements

General Information and Statement of Accounting Policies

1 General Information

1.1 Reporting entity

Linkage Assurance Plc. ("LINKAGE" or "the Company") was incorporated in Nigeria on 26th of March 1991 as a private limited liability company domiciled in Nigeria. It was registered by the National Insurance Commission on the 7th of October 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a public limited liability company in 2003 and the Company's shares, which are quoted on the Nigerian Stock Exchange were first listed on 18 November 2003. The registered office of the Company is Plot 20 Block 94 Lekki Epe Express way, Lekki, Lagos, Nigeria.

The Company's high standard in corporate policies and governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all stakeholders. The business of the Company is conducted with high level of integrity.

1.2. Principal activities

The Company was registered to transact all classes of life and non-life insurance business, insurance claims payment and investments. Subsequently it disposed its life business in February 2007 and concentrated on the non-life insurance business.

2 Basis of Preparation

a Statement of compliance

The financial statements of Linkage Assurance Plc. have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars.

The financial statements were authorized for issue by the Company's board of directors on 16 March 2023. Details of the Company's accounting policies are included in Note 4.

b Going concern

These financial statements have been prepared on the going concern basis. The Company has no intention or need to reduce substantially its business operations. The Directors believe that the going concern assumption is appropriate for the Company due to sufficient capital adequacy ratio.

c Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

(i) Financial instruments at fair value through profit or loss are measured at fair value;
(ii) Available-for-sale financial assets are measured at fair value;
(iii) Land and buildings are carried at fair value;
(iv) Investment properties are measured at fair value;
(v) Insurance contract liabilities at present value and
(vi) Defined benefit obligation measured at present value.

d Use of judgments and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

General Information and Statement of Accounting Policies

Assumptions and estimation uncertainties
Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have a significant of risk of resulting in material adjustment on the amounts recognized in the financial statements are included in the following notes to the financial statements:

(i) Note 13 - determining the fair value of investment properties on the basis of significant unobservable inputs.
(ii) Note 6.2 and 18 - valuation of insurance contract liabilities: key actuarial assumptions.
(iii) Note 22 - measurement of defined benefits obligations; key actuarial assumptions.
(iv) Note 48- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources.
(v) Note 8.2 - determining the fair value of unquoted equity instruments on the basis of significant unobservable inputs.
(vi) Note 4.17 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

e Functional and presentation currency
The financial statements are presented in Nigerian Naira (₦) and amounts presented / disclosed are rounded to the nearest thousands unless otherwise stated. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company is incorporated in Nigeria and has adopted Naira as its functional currency.

3 Changes in accounting policies
New and amended standards and interpretations
The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(a) Onerous Contracts- Costs of Fulfilling a Contract- Amendments to IAS 37
An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e. the costs that the Company cannot avoid because it has the contract) exceeds the economic benefits expected to be received under it.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company applied the amendements to the contracts for which it had not fulfilled all its obligations at the beginning of the reporting period.

(b) Amendements to IFRS 3- Reference to the Conceptual Framework- No impact on the Company's financial statements.
The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph of IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the tranisitional provisions, the Company applies the amendments prospectively, i.e., to

General Information and Statement of Accounting Policies

business combinations occuring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period and the Company does not prepare a financial statement.

(c) Amendements to IAS 16- Property, Plant and Equipment: Proceeds before intended use- No impact on the Company's financial statements.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(d) IFRS 1 First-time Adoption of International Financial Reporting Standards- Subsidiary as a first- time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

(e) IFRS 9 Financial Instruments- Fees in the '10 per cent' test for de-recognition of financial liabilities

The amendments clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

(f) IAS 41 Agriculture- Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

General Information and Statement of Accounting Policies

4 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank, restricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

4.2 Financial instruments

Financial instruments include all financial assets and liabilities. These instruments are typically held for liquidity, investment and strategic planning purposes. All financial instruments are initially recognized at fair value plus (or minus) directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognized immediately in profit or loss. Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

4.2.1 Classification of financial assets

The Company classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets

Management determines the appropriate classification of its investments at initial recognition and the classification depends on the purpose for which the investments were acquired or originated. The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and subsequent changes in fair value, including any interest or dividend income, are recognized in profit or loss.

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs, other than of an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available-for-sale. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Available-for-sale financial instruments are securities that are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in market conditions.
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent

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to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized or impaired, the gain or loss accumulated in equity is reclassified to profit or loss.

4.2.2 Non-derivative financial liabilities –Measurement

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

4.2.3 Impairment of non derivative financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment is established as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security because of financial difficulties, adverse changes in the status of borrowers or issuers, or observable data indicating that there is a measurable decrease in the expected cashflow from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its costs. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged. The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both specific and collective level. Those not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

An impairment loss on available-for-sale (AFS) financial assets is recognized by reclassifying the gains and losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value less any impairment loss previously recognized in profit or loss. If the fair value of an impaired AFS debt security subsequently increased and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale is not reversed though profit or loss.

4.2.4 De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any

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interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

4.2.5 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (at FVTPL) or 'other financial liabilities'. Financial liabilities are recognized initially at fair value and in the case of other financial liabilities, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, insurance payables and investment contracts. The Company's financial liabilities are classified as other financial liabilities.

Other financial liabilities which includes creditors arising out of reinsurance arrangements, direct insurance arrangement and other payable, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective interest basis.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition

The Company de-recognizes financial liabilities when, and only when, the obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

4.2.6 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.3 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurements of fair values for both the financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference

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is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

4.4 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognized at fair value, which is the premium received and then amortized over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of (i) the amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15. Financial guarantees are included within other liabilities.

4.5 Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Company has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30 days, in conformity with the "NO PREMIUM NO COVER" policy.Trade receivables are classified as loans and receivables.

The Company assesses at each reporting date whether there is objective evidence that an insurance receivable is impaired. If there is objective evidence that the insurance receivable is impaired, the carrying amount of the insurance receivable is reduced accordingly through an allowance account and recognized as impairment loss in profit or loss.

Trade receivables include amounts due from agents, brokers and insurance contract holders. Trade receivables are recognized when due.

4.6 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. In the course of ceding out business to reinsurers, the Company incurs expenses. This is recognized as reinsurance expense in the statement of profit or loss.

4.7 Deferred acquisition costs and revenue

The incremental costs directly attributable to the acquisition of new business are deferred by recognizing an asset. For other insurance contracts, acquisition costs including both incremental acquisition costs and other indirect costs of acquiring and processing new business are deferred (deferred acquisition costs).

Where such business is reinsured the reinsurers' share is carried forward as deferred income.

Deferred acquisition costs and deferred origination costs are amortized systematically over the life of the contracts and tested for impairment at each reporting date. Any amount not recoverable is expensed. They are derecognized when the related contracts are settled or disposed of.

Deferred Acquisition Revenue

The Company recognizes commissions receivable on outwards reinsurance contracts as deferred income and amortized over the average term of the expected premiums payable.

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4.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of the day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss and other comprehensive income in the year in which they arise.

Investment properties are de-recognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the profit or loss and other comprehensive income in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. When the use of property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising from this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in OCI and presented in the revaluation reserve. Any loss is recognized in profit or loss statement.

4.9 Intangible assets

The intangible assets include computer software acquired for use in the Company's operation.

Software acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses (where this exists). Acquired intangible assets are recognized at cost on acquisition date. Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization is recognized in the profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the economic benefits embodied in the asset. The assets are usually amortized over their useful life most which do not exceed 4 years. Amortization methods are reviewed at each financial year and adjusted if appropriate.

Intangible assets are derecognized at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of derecognition and any disposal proceeds as applicable, is recognized in profit or loss.

There was no internally developed software at the date of reporting.

4.10 Property and equipment

Recognition and measurement

All categories of property and equipment are initially recorded at cost. Items of property and equipment except land and buildings are subsequently measured at historical costs less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of equipment.

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Land are stated at revalued amount while buildings are subsequently stated at revalued amount less depreciation and impairment losses. All other property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are revalued every three (3) years. Increase in the carrying amount of land and buildings arising from revaluation are credited to revaluation reserve in other comprehensive income.

Decreases that offset previous increases in land and buildings arising from revaluation are charged against the revaluation reserve while other decreases, if any, are charged to profit or loss.

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

Depreciation
Depreciation is provided on a straight line basis so as to allocate the cost/re-valued amounts less their residual values over the estimated useful lives of the classes of assets. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives of the property and equipment for the current and comparative periods are as follows:

Land	Nil
Buildings	50 years
Buildings work in progress	Nil
Computer hardware and office equipment	4 years
Furniture and fittings	4 years
Motor vehicles	4 years

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of the reporting period.

Land is not depreciated.

De-recognition
An item of property and equipment is derecognized when no future economic benefits are expected from its use or on 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 the profit or loss and other comprehensive income of the year the asset is de-recognized.

4.11 Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows, which are largely independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present

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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.

Impairment losses are recognized in profit or loss. In respect of other non-financial assets, 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 and is reversed through profit or loss 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 amortization, if no impairment loss had been recognized.

4.12 Statutory deposit

The Company maintains a statutory deposit with the Central Bank of Nigeria (CBN) which represents 10% of the minimum capitalization in compliance with the Insurance Act. This balance is not available for the day-to-day operations of the Company and is measured at cost.

4.13 Insurance contract liabilities

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date.

It can take a significant period of time before the ultimate claims cost can be established with certainty and for the same type of policies.

The ultimate cost of outstanding claims is estimated by using one of the ranges of standard actuarial claims projection techniques – Discounted Inflation Adjusted Chain Ladder method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates 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 analyzed by accident years, but can also be further analyzed 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, (for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

4.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company recognizes a

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right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in other liabilities in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IAS 39 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

4.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

4.16 Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash, bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefits

Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively. The Company's obligations for contributions to the plan are recognized as an expense in profit or loss when they are due. Prepaid contributions are recognized as asset to the extent that a cash refund or reduction in future payments is available.

Defined benefit plan

The Company commenced the operation of a staff sinking fund scheme upon obtaining Board of directors' approval in May 2014. This Sinking Fund is non-contributory defined employee exit benefit plan under which the Company alone makes fixed contributions into a separate entity and the fund can only be accessed by staff members at the point they are exiting the Company for reasons other than dismissal.

The amount payable to exiting staff is dependent on years of service and compensation as at date of exit. This value of this benefit is actuarially determined at each reporting date by an independent actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refund from the plan or reductions in the future contributions to the plan. To calculate the present value of the economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in OCI.

The Company determines the net interest expense (income) on the defined benefits liability (asset) for the

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period by applying a discount rate used to measure the defined benefits liability (asset) taking into account any changes in the defined benefit liability (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan are recognized in the profit or loss.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for a restructuring. If benefits are not expected to be settled within 12 months of the reporting date then they are discounted.

4.17 Taxation

Company Income Tax

Income tax expense comprises current tax (company income tax, tertiary education tax, National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not

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recognized for:

* temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss;

* taxable temporary differences arising on the initial recognition of goodwill; and

* temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profit are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of the future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.18 Other receivables and prepayments

Other receivables include cash advance, sundry receivables, withholding tax recoverable, etc. Other receivables are carried at amortized cost using the effective interest rate less accumulated impairment losses.

Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit and loss account.

4.19 Share capital and reserves

a. Share capital

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

b. Share premium

The Company classifies share premium as equity when there is no obligation to transfer cash or other assets.

c. Dividend

Dividend on ordinary shares are recognized and deducted from equity when they are approved by the Company's shareholders, while interim dividends are deducted from equity when they are paid. Dividends for the year/period that are approved after the reporting date are disclosed as an event after reporting date and as note within the financial statements.

d. Contingency reserves

Contingency reserve is calculated at the higher of 3% of gross premium and 20% of net profits. This amount is expected to be accumulated until it amounts to the higher of minimum paid-up capital for a non-life

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(general) insurance company or 50% of gross premium in accordance with section 21(2) of the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars.

e. ***Asset revaluation reserve***

Subsequent to initial recognition, an item of property, plant and equipment and intangible asset carried using cost model, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognized as an expense, in which case it is recognized in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in profit or loss.

f. ***Fair value reserve***

The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments. Net fair value movements are recycled to profit or loss if an underlying available-for-sale investment is either derecognized or impaired.

g. ***Re-measurement reserve***

The re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan.

4.20 Contingent liabilities and assets

Possible obligations of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company and present obligations of the Company where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, are not recognized in the Company statement of financial position but are disclosed in the notes to the financial statements.

Possible assets of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company, are not recognized in the Company's statement of financial position but are disclosed in the notes to the financial statement where an inflow of economic benefits is probable.

4.21 Foreign currency translation

The financial statements are presented in Nigerian naira (₦), which is the functional and presentation currency, and rounded down to the nearest thousand (000) unless otherwise indicated.

Transactions and balances

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

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of profit or loss within 'investment & other income'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'investment and other income' or 'other operating and administrative expenses'.

4.22 Insurance contracts

(a) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred. The Company only issues contracts that transfer insurance risks.

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.

General insurance business means insurance business of any class or classes not being long term insurance business. Classes of General insurance include:

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- Fire insurance business
- General accident insurance business;
- Motor vehicle insurance business;
- Engineering insurance business;
- Marine insurance business;
- Oil and gas insurance business;
- Bonds credit guarantee insurance business; and
- Miscellaneous insurance business

For all these contracts, premiums are recognized as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the end of reporting date is reported as the unearned premium liability.

(b) Recognition and measurement of insurance contracts
Premium income is recognized on assumption of risks.

(i) *Premiums*
Premiums comprise gross written 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 shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

(ii) *Unearned premium provision*
The provision for unearned premiums (unexpired risk) represents the proportion of premiums written in the periods up to the accounting date that relates to the unexpired terms of policies in force at the end of reporting date. This is estimated to be earned in subsequent financial years, computed separately for each insurance contract using a time proportionate basis.

(iii) *Gross premium earned*
Gross premium earned includes estimates of premiums due but not yet received, less unearned premium.

(iv) Claims payable
Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims and incurred but not yet reported (IBNR) claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years/periods.

Claims and loss adjustment expenses are charged to statement of profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date. Outstanding claims computed are subject to liability adequacy tests to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognized.

(v) *Commissions and deferred acquisition costs*
Commissions earned and payable are recognized in the period in which relevant premiums are written. A proportion of commission payable is deferred and amortized over the period in which the related premium is earned. Deferred acquisition costs represent the proportion of acquisition costs which corresponds to the unearned premium and are deferred as an asset and recognized in the subsequent period.

(vi) *Liability adequacy test*
At the end of reporting date, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognized. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses and investment income backing such liabilities are considered. Any deficiency is charged to Statement of comprehensive income by increasing the carrying amount of the related insurance liabilities.

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(vii) *Salvage and Subrogation Reimbursement*
Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other receivables and prepayments when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries.

Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

4.23 Revenue
Revenue comprises insurance premium derived from the provision of risk underwriting services; and interest and dividend income earned on investment securities held by the Company.

Revenue recognition

Insurance premium revenue
The revenue recognition policy relating to insurance contracts is set out under 4.22.(b)(I)

Commission earned
The revenue recognition policy on commission is disclosed in 4.22.(b)(v)

Investment income
Interest income for interest bearing financial instruments, are recognized within 'investment & other income' in the statement of profit or loss using the effective interest method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

Other operating income
Other operating income comprises income from realized profits on sale of securities, realized foreign exchange gains/(losses), rental income and other sundry income recognized when earned.

Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

Rental income from investment property is recognized as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

4.24 Net claims expenses
Net claims expenses comprise claims incurred and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims net of recoveries/recoverable from reinsurers.

(a) Claims
Claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to policyholders and/or beneficiaries. They included direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not been reported to the Company.

The Company 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 Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may

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be affected by external factors. No provision has been made for possible claims under contracts that are not in existence at the end of the reporting period.

(b) ***Reinsurance claims***
Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

4.25 Underwriting expenses
Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition cost comprise all direct and indirect costs arising from the writing of insurance contracts. Examples include, but are not limited to, commission expense, superintendent fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contracts. These are charged in the statement of profit or loss.

4.26 Operating expense
Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the statement of profit or loss when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

4.27 Operating segments
IFRS 8 Operating segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (in the case of the Company, 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 vehicle, engineering, oil and gas and others. The other segment relates to marine and aviation business class revenue which do not meet the quantitative threshold. (Refer to note 5).

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.

4.28 Statement of Cash Flows
A statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

According to IAS 7 Statement of Cash Flows an entity shall report cash flows from operating activities using either:

(a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or

(b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non?cash nature, any

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deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

The Company has adopted the direct method in reporting cash flows from operating activities because it provides more details about operating cashflows which may be useful in estimating future cash flows.

4.29 Earnings per share

The Company presents earnings per share for its ordinary shares. The basic earnings per share (EPS) are calculated by dividing the net profit attributable to shareholders' by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.30 New standards, interpretations and amendments to existing standards

(**a**) **Effective standards not yet adopted by the Company**

There are new or revised Accounting Standards and Interpretations in issue that are effective but not yet adopted by the Company. This include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements:

(i) IFRS 9 Financial Instruments

IFRS 9 became effective for financial year commencing on or after 1 January 2018 but the standard has not been adopted in preparing these financial statements as the Company elected to adopt the deferral approach available to insurance companies.

IFRS 9 is part of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortized cost, fair value through OCI and fair value through profit or loss.

Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the statement of profit or loss.

Classification and measurement

The standard uses one primary approach to determine whether to measure a financial asset at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) as against the IAS 39 classifications of FVTPL, Available-for-Sale (AFS) financial assets, Loans and Receivables and Held-to-Maturity (HTM) investments. The Company's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortized cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cash flows as well as cash flows from selling the asset. The final category of financial assets are those assets where the business model is neither to hold for solely to collect the contractual cashflows nor selling to collect the cashflows and therefore classified as at fair value through profit or loss. These are financial assets that are held with the objective of trade and to realize fair value changes. The Company can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.

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The table below provides the expected changes in classification on adoption of IFRS 9:

Financial Assets 31 December 2022	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2022
Cash and cash equivalents	Loans and receivables	Amortized cost	4,236,501
Financial assets at fair value through profit	FVTPL	FVTPL	2,849,315
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	-
Unquoted equities	AFS	FVOCI	14,676,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	249,121
Held-to-Maturity investments	Loans and receivables	Amortized cost	6,452,218
Trade receivables	Loans and receivables	Amortized cost	199,857
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	602,327
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	3,339,551

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New standards, interpretations and amendments to existing standards- Continued

(i) ***IFRS 9 Financial Instruments- Continued***

Financial Assets 31 December 2021	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2021
Cash and cash equivalents	Loans and receivables	Amortized cost	3,476,697
Financial assets at fair value through profit or loss	FVTPL	FVTPL	5,050,881
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	-
Unquoted equities	AFS	FVOCI	17,628,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	141,658
Held-to-Maturity investments	Loans and receivables	Amortized cost	3,690,194
Trade receivables	Loans and receivables	Amortized cost	81,468
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	129,090
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	3,006,069

Impairment

IFRS 9 also requires that credit losses expected at the reporting date (rather than those incurred as at year-end) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss (ECL) model as opposed to the incurred credit loss model under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss at the reporting date. The amount of the expected credit losses is expected to be updated at each reporting date to reflect changes in credit risks since initial recognition. ECL is determined by multiplying the Exposure At Default (EAD) by the Probability of Default (PD) and the Loss Given Default (LGD).

The Company do not currently have an Expected Credit Loss (ECL) model for financial assets; hence the potential impact of the ECL impairment on profit or loss and equity has not been estimated.

Amendments to IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. the deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 Insurance Contracts.The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.The optional solutions are:1. Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement. To qualify for this exemption the company's activities need to be predominantly connected with insurance. A company's activities are predominantly connected with insurance if, and only if:

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(a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and
(b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:
(i) greater than 90 percent; or
(ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from, these contracts (such as deferred tax liabilities arising on its insurance contracts).

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognized in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

With respect to IFRS 9 above, the Company is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Company and the activities of the Company are predominantly connected with insurance.

To determine if the Company's activities are predominantly connected with insurance, the Company has assessed the ratio of the Company's liabilities connected with insurance - including investment contracts liabilities.

LIABILITIES	AS REPORTED (A) 31-Dec-15	Admissible for Predominance Test (B) 31-Dec-15
Insurance contract liabilities	2,276,752	2,276,752
Trade payables	229,316	229,316
Provision and other payables	327,273	-
Retirement benefit obligations	84,225	-
Income tax liabilities	147,355	147,355
Deferred tax liabilities	117,921	-
	3,182,842	**2,653,423**
	Score = (B/A)%	83.37%

The Company has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

a) Its activities are predominantly connected with insurance contracts;

b) As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was ₦2.65 billion which was 83.37% of the total carrying amount of all its liabilities as at that date.

c)The Company's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Company earns income and incur expenses are insurance-related.

Based on the above, the Company will apply IFRS 9 together with IFRS 17 in 2023.

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Fair value disclosures
i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)
The Company's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:
a) Cash and cash equivalents
b) Available-for-sale financial assets (Bonds)
c) Loans and receivables
d) Held-to-Maturity financial assets
e) Trade receivables
f) Reinsurance assets (less prepaid reinsurance and reinsurers' share of outstanding claims and IBNR)
g) Other receivables (only financial receivables)"

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.

These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value basis. These are:

a) Financial assets measured though profit and loss

b) Equity securities and Investment funds

The expected fair value changes from the adoption of IFRS 9 are disclosed below:

Fair value disclosures

As at 31 December 2022	Financial assets that meet the SPPI		All other financial assets	
Category	**Fair value**	**Fair value change during the reporting period**	**Fair value**	**Fair value change during the reporting period**
In thousands of Naira				
Cash and cash equivalents*	4,236,501	-	-	-
Debt securities*				
Held-to-maturity*	6,452,218	-	-	-
Loans and receivables*	249,121	-	-	-
Trade and other receivables*	802,184	-	-	-
Statutory deposits*	700,000	-	-	-
Subtotal	**12,440,024**	**-**	**-**	**-**
Equity securities - FVOCI	-	-	16,918,367	(2,923,271)
Financial instruments - FVTPL	-	-	2,849,315	(182,281)
Total	**12,440,024**	**-**	**19,767,682**	**(3,105,552)**

* The fair values of these financial assets approximate their cost.

(b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

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Insurance contracts (IFRS 17) - Effective for financial year commencing 1 January 2023

IFRS 17 replaced IFRS 4 *Insurance Contracts*

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

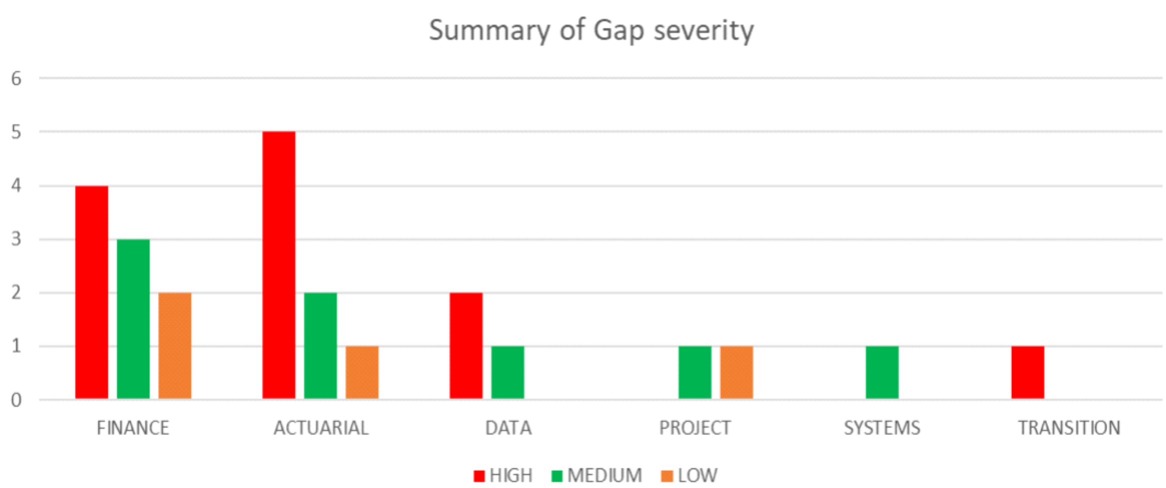
• Reinsurance contracts held;
• Direct participating contracts; and
• Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

Implementation of IFRS 17 will have significant impacts on the company's business areas including but not limited to:
a. Business processes, IT systems and Data
b. Financial reporting and controls
c. Accounting policies, judgments and estimates
d. Actuarial models etc.

The company engaged the services of O & A Hedge Actuarial Consulting to carry out Gap analysis, operational and financial impact assessment on the company.

The summary of operational impact of IFRS 17 on the company's operation is as depicted below



Overall impact of adopting IFRS17 will be significant and would require fundamental change in data management and processes. The company has considered a change to processes which will involve the creation of an actuarial function unit and enhancement to existing IT systems with capability to work with the new IFRS 17 system solution.

In view of the above, the company has purchased and installed on its server the end-to-end
- IFRS17 Reserve Solutions for calculating technical provisions, Risk Adjustment,(RA), CSM
- IFRS17 Accounting Solution for producing the financial statements and relevant disclosures. Test run has been conducted by the consultants.
- Staff training has been conducted for all relevant department and the training is ongoing to ensure staff understand and can work with the tools.

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Annual review process and actuarial valuation are still being carried out to determine the amounts that will be reported in the various sections of the financial statements on adoption of the standard.
The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.

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

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.
This standard is not applicable to the Company.

(iii) Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
"In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.The amendments clarify:• What is meant by a right to defer settlement• That a right to defer must exist at the end of the reporting period• That classification is unaffected by the likelihood that an entity will exercise its deferral right• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification"

Right to defer settlement
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations
IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'
The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

The Company will apply this amendment when it becomes effective on 1 January 2023.

General Information and Statement of Accounting Policies

(iv) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The Company will apply this amendment when it becomes effective on 1 January 2023.

(v) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

(vii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The IASB proposed amendments to IAS 12 that would require an entity to recognise deferred tax on initial recognition of particular transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities. The proposed amendments would apply to transactions such as leases and decommissioning obligations for which an entity recognises both an asset and a liability.

The Board expects that applying the proposed amendments would increase comparability between entities and would result in useful information for users of financial statements. This is because it would align the accounting for the tax effects of particular transactions with the general principle in IAS 12 of recognising deferred tax for all temporary differences.
These amendments will currently have no impact on the financial statements of the Company.

(viii) Lease Liability in a Sale and Leaseback- Amendments to IFRS 16 effective date: 1 January 2023

In September 2022, the board issued Lease Liability in a Sale and Leaseback (Amendments of IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transactions, to ensure seller-lessee does not recognise any amount of the gain or loss that relate to the right of use it retains.

A seller-lessee applies the amendments to annual reporting periods beginning on after 1 January 2024. Earlier application is permitted, and the fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

These amendments will currently have no impact on the financial statements of the Company.


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Statement of Financial Position
As at 31 December 2022

Assets	Note	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Cash and cash equivalents	7	4,236,501	3,476,697
Investment securities	8	26,469,021	27,584,351
Trade receivables	9	199,857	81,468
Reinsurance assets	10	5,281,166	4,639,643
Deferred acquisition cost	11	543,059	432,827
Other receivables and prepayments	12	779,997	308,434
Investment properties	13	160,000	157,500
Intangible assets	14	20,844	36,866
Property plant and equipment	15	1,584,679	1,467,178
Right-of-use assets	16	21,744	25,221
Statutory deposit	17	700,000	500,000
Total assets		**39,996,868**	**38,710,185**
Liabilities			
Insurance contract liabilities	18	12,811,727	11,635,256
Trade payables	20	1,140,673	765,141
Other payables	21	1,001,996	1,053,785
Defined benefit obligations	22	84,321	89,660
Current tax liabilities	23	157,845	60,257
Total liabilities		**15,196,562**	**13,604,099**
Equity			
Share capital	25	7,000,000	7,000,000
Share premium	26	560,294	560,294
Contingency reserve	27	3,395,997	2,882,618
Accumulated loss	28	(1,463,786)	(3,517,298)
Assets revaluation reserve	29	828,773	828,773
Re-measurement reserve	30.2	55,639	5,040
Fair value reserve	30.1	14,423,389	17,346,660
Total equity		**24,800,306**	**25,106,086**
Total liabilities and equity		**39,996,868**	**38,710,185**

The financial statements were approved on 16 March 2023 and signed on behalf of the Board of Directors by:

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

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

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

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Gross premium written	31	12,979,789	11,161,499
Changes in unearned premium	32	(473,238)	(707,091)
Gross premium income	32	**12,506,551**	**10,454,408**
Reinsurance expenses	33	(5,428,863)	(5,025,865)
Net premium income		**7,077,688**	**5,428,543**
Fees and commission income	34	1,061,358	834,229
Net underwriting income		**8,139,046**	**6,262,772**
Net claims expenses	35	(2,473,624)	(5,033,251)
Underwriting expenses	36	(5,159,260)	(3,813,709)
Underwriting profit/(loss)		**506,162**	**(2,584,189)**
Investment income	37	4,706,423	2,293,357
Impairment reversal on loans and receivables	38	23,859	35,788
Impairment reversal on cash and cash equivalents	38	11,843	-
Impairment reversal on prepaid staff benefits	38	3,609	-
Net fair value loss on financial assets at fair value through profit/loss	39	(182,281)	(1,268,490)
Other operating income	40	341,048	304,062
Fair value changes on investment property	37	2,500	7,500
Management expenses	41	(2,716,981)	(2,666,942)
Profit/(loss) before taxation		**2,696,182**	**(3,878,914)**
Income tax expense	23.1	(129,291)	(111,724)
Profit/(loss) after taxation		**2,566,891**	**(3,990,638)**
Other comprehensive income net of tax			
Items that will be reclassified subsequently to profit or loss:			
Net fair value (loss)/gain on available-for-sale financial assets	42	(2,952,000)	3,397,853
Net fair value gain on Equity mutual funds	42	28,729	-
		(2,923,271)	3,397,853
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	30.2	50,599	(8,204)
Other comprehensive income, net of taxes		**(2,872,672)**	**3,389,649**
Total comprehensive (loss)/income for the year		**(305,781)**	**(600,989)**
Basic and diluted earnings/(losses) per share (kobo)	43	**18.3**	**(28.5)**

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2022

		Share capital ₦'000	Share premium ₦'000	Contingency Reserve ₦'000	Asset revaluation reserve ₦'000	Re-measure ment reserve ₦'000	Fair value reserve ₦'000	Accumulated loss ₦'000	Total ₦'000
At 1 January 2022		7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,299)	25,106,086
Comprehensive income									
Profit for the year		-	-	-	-	-	-	2,566,891	2,566,891
Other comprehensive income:									
Remeasurement of defined benefit obligation	30.2	-	-	-	-	50,599	-	-	50,599
Net fair value changes on AFS financial assets	42	-	-	-	-	-	(2,923,271)	-	(2,923,271)
Total comprehensive income		-	-	-	-	**50,599**	**(2,923,271)**	**2,566,891**	**(305,782)**
Transfer from share premium		-		-	-	-	-	-	-
Transfer to contingency reserve	27	-	-	513,379	-	-	-	(513,379)	-
		-	-	513,379	-	-	-	(513,379)	-
At 31 December 2022		**7,000,000**	**560,294**	**3,395,997**	**828,773**	**55,639**	**14,423,389**	**(1,463,787)**	**24,800,305**
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									
Loss for the year		-	-	-	-	-	-	(3,990,638)	(3,990,638)
Other comprehensive income:									
Remeasurement of defined benefit obligation	30.2	-	-	-	-	(8,204)	-	-	(8,204)
Net fair value changes on AFS financial assets	42	-	-	-	-	-	3,397,853	-	3,397,853
Total comprehensive income		**-**	**-**	**-**	**-**	**(8,204)**	**3,397,853**	**(3,990,638)**	**(600,989)**
Transfer from share premium		-	(168,750)	-	-	-	-	-	(168,750)
Transfer to contingency reserve	27	-	-	334,845	-	-	-	(334,845)	-
Bonus share issue from retained earnings	24.1	2,000,000	-	-	-		-	(2,000,000)	-
		2,000,000	(168,750)	334,845	-	-	-	(2,334,845)	(168,750)
Transactions with owners of the Company									
Dividend paid	28	-	-	-	-	-	-	(500,000)	(500,000)
At 31 December 2021		**7,000,000**	**560,294**	**2,882,618**	**828,773**	**5,040**	**17,346,660**	**(3,517,299)**	**25,106,086**

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

	Note	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Operating activities			
Premiums received from policy holders	44(b)	12,800,946	11,141,069
Premiums received in advance	20.1	21,707	60,454
Deposit without details	20.2(a)	23,800	278,591
Reinsurance payments	44(d)	(5,742,392)	(4,997,642)
Claims paid	35	(3,086,234)	(3,989,302)
Reinsurance claim recoveries	44(c)	1,155,073	1,699,447
Salvage recovery	44(c)	121,099	63,146
Commission paid	44(e)	(4,062,040)	(3,115,123)
Maintenance expenses paid	41	(1,025,715)	(759,461)
Commission received	44(f)	1,161,261	803,447
Cash payment to and on behalf of employees	44(l)	(978,622)	(789,455)
Other operating cash payments	44(a)	(2,012,939)	(1,450,713)
Corporate tax paid	23	(31,703)	(134,032)
Net cash flows used in operating activities		**(1,655,758)**	**(1,189,574)**
Investing activities			
Purchase of properties and equipment	44(i)	(334,346)	(298,301)
Purchase of intangible assets	14	(21,253)	(47,759)
Proceeds from sale of property and equipment	44(j)	30,341	1,091
Purchase of investment securities	44(h)	(5,875,109)	(4,743,993)
Proceeds from sale of investment securities - FVTPL	44(h)	3,733,139	4,168,919
Proceeds from redemption - HTM	8.4	86,053	329,214
Loan repayments - Loans and Receivables	44(h)	89,554	36,778
Addition to deposit in escrow account with CBN	17	(200,000)	(200,000)
Dividend received	37	3,315,152	1,212,565
Rental income received	40	6,800	6,200
Interest received	44(g)	1,391,271	1,080,792
Net cash flows from investing activities		**2,221,602**	**1,545,506**
Financing activities			
Lease payments	44(k)	-	(219)
Dividend paid	28	-	(500,000)
Net cash flows used in financing activities		**-**	**(500,219)**
Net increase/(decrease) in cash and cash equivalents		565,844	(144,287)
Cash and cash equivalents at the beginning of the year		3,476,697	3,592,711
Impact of exchange difference on cash held		193,960	28,273
Cash and cash equivalents at end of the year	7	**4,236,501**	**3,476,697**

The accompanying notes to the financial statements form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022

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
- Agric

The following is an analysis of the Company's revenue and result by reportable segment for the year ended 31 December 2022.

Income:	Fire ₦'000	Accident ₦'000	Motor ₦'000	Marine ₦'000	Aviation N'000	Bond ₦'000	Engineering ₦'000	Oil & Gas ₦'000	Agric ₦'000	Total ₦'000
Gross premium written	2,584,320	1,377,534	2,689,508	936,301	518,803	23,880	624,856	4,112,194	112,393	12,979,789
Net change in unearned premium	(77,761)	(94,843)	(258,516)	8,560	22,889	(1,255)	(76,342)	47,528	(43,497)	(473,238)
	2,506,559	**1,282,691**	**2,430,992**	**944,861**	**541,692**	**22,625**	**548,514**	**4,159,722**	**68,896**	**12,506,551**
Reinsurance Expenses	(1,907,987)	(482,798)	(355,410)	(435,077)	(339,291)	(11,311)	(349,366)	(2,004,792)	(88,903)	(5,974,935)
Movement in Prepaid-Reinsurance Cost	197,668	32,302	59,649	20,820	(1,148)	654	104,983	89,927	41,217	546,072
Re-insurance cost	(1,710,319)	(450,496)	(295,761)	(414,257)	(340,439)	(10,657)	(244,383)	(1,914,865)	(47,686)	(5,428,863)
Net premium income	**796,240**	**832,195**	**2,135,231**	**530,604**	**201,253**	**11,968**	**304,131**	**2,244,857**	**21,210**	**7,077,688**
Commision received	437,188	179,300	58,694	189,458	1,306	3,611	70,292	108,286	13,223	1,061,358
Net under writing Income	**1,233,428**	**1,011,495**	**2,193,925**	**720,062**	**202,559**	**15,579**	**374,423**	**2,353,143**	**34,433**	**8,139,046**
Expenses:										
Gross Claims incurred	233,548	(1,060,540)	(798,622)	(1,140,971)	(96,937)	(1,176)	(389,324)	(399,956)	(14,389)	(3,668,367)
Recovery on Claims incurred	51,010	750,664	98,158	455,968	10,851	-	239,507	(420,892)	9,477	1,194,743
Net claims incurred	284,558	(309,876)	(700,464)	(685,003)	(86,086)	(1,176)	(149,817)	(820,848)	(4,912)	(2,473,624)
Acquisition cost	(449,073)	(294,758)	(351,991)	(286,096)	(98,649)	(3,831)	(110,564)	(900,925)	(20,324)	(2,516,211)
Maintenance expenses	(526,240)	(280,505)	(547,659)	(190,657)	(105,643)	(4,863)	(127,238)	(837,358)	(22,886)	(2,643,049)
	(690,755)	**(885,139)**	**(1,600,114)**	**(1,161,756)**	**(290,378)**	**(9,870)**	**(387,619)**	**(2,559,131)**	**(48,122)**	**(7,632,884)**
Segment under writing profit/(loss)	**542,673**	**126,356**	**593,811**	**(441,694)**	**(87,819)**	**5,709**	**(13,196)**	**(205,988)**	**(13,689)**	**506,162**

Assets and Liabilities:	Fire ₦'000	Accident ₦'000	Motor ₦'000	Marine ₦'000	Aviation N'000	Bond ₦'000	Engineering ₦'000	Oil & Gas ₦'000	Agric ₦'000	Total ₦'000
Total segment assets	7,963,512	4,244,834	8,287,646	2,885,186	1,598,677	73,586	1,925,477	12,671,614	346,336	39,996,868
Total segment liabilities	3,025,687	1,612,798	3,148,840	1,096,209	607,408	27,958	731,573	4,814,501	131,588	15,196,562

Notes to the Financial Statements

For the year ended 31 December 2022

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.

31 Dec 2021

Income:	**Motor** ₦'000	**Fire** ₦'000	**Accident** ₦'000	**Marine** ₦'000	**Aviation** ₦'000	**Bond** ₦'000	**Engineering** ₦'000	**Oil & Gas** ₦'000	**Agric** ₦'000	**Total** ₦'000
Gross premium written	2,009,396	1,021,744	2,177,342	910,684	613,958	10,688	448,825	3,923,661	45,201	11,161,499
Net change in unearned premium	(360,176)	(26,440)	(164,814)	19,527	6,171	1	22,470	(187,137)	(16,691)	(707,090)
	1,649,220	**995,304**	**2,012,528**	**930,211**	**620,129**	**10,689**	**471,295**	**3,736,524**	**28,510**	**10,454,409**
Reinsurance Expenses	(1,182,044)	(553,171)	-	(367,986)	(409,888)	(5,277)	(230,002)	(2,200,648)	(25,225)	(4,974,241)
Movement in Prepaid-Reinsurance Cost	86,981	(6,685)	(196)	(36,024)	5,153	(13)	(32,255)	(78,634)	10,049	(51,624)
Re-insurance cost	(1,095,063)	(559,856)	(196)	(404,010)	(404,735)	(5,290)	(262,257)	(2,279,282)	(15,176)	(5,025,865)
Net premium income	554,157	435,448	2,012,332	526,201	215,394	5,399	209,038	1,457,242	13,334	5,428,544
Commision Received	334,168	170,094	1,450	134,846	901	1,750	71,297	115,930	3,793	834,229
Net underwriting Income	**888,325**	**605,542**	**2,013,782**	**661,047**	**216,295**	**7,149**	**280,335**	**1,573,172**	**17,127**	**6,262,773**
Expenses:										
Gross Claims incurred	(4,667,418)	(739,350)	(1,136,187)	(273,448)	(222,504)	4,605	(12,492)	(2,072,733)	(6,135)	(9,125,662)
Recovery on Claims incurred	2,344,261	199,305	82,013	58,246	114,683	(34)	(50,516)	1,340,975	3,477	4,092,410
Net claims incurred	(2,323,157)	(540,045)	(1,054,174)	(215,202)	(107,821)	4,571	(63,008)	(731,758)	(2,658)	(5,033,252)
Acquisition cost	(351,573)	(230,329)	(275,496)	(262,015)	(114,438)	(1,590)	(93,786)	(818,698)	(4,680)	(2,152,605)
Maintenance expenses	(299,047)	(152,064)	(324,041)	(135,532)	(91,372)	(1,591)	(66,796)	(583,935)	(6,727)	(1,661,104)
	(2,973,777)	**(922,438)**	**(1,653,711)**	**(612,749)**	**(313,631)**	**1,390**	**(223,590)**	**(2,134,391)**	**(14,065)**	**(8,846,961)**
Segment underwriting profit/(loss)	**(2,085,452)**	**(316,896)**	**360,071**	**48,298**	**(97,336)**	**8,539**	**56,745**	**(561,219)**	**3,062**	**(2,584,189)**

Assets and Liabilities:	**Fire** ₦'000	**Accident** ₦'000	**Motor** ₦'000	**Marine** ₦'000	**Aviation** ₦'000	**Bond** ₦'000	**Engineering** ₦'000	**Oil & Gas** ₦'000	**Agric** ₦'000	**Total** ₦'000
Total segment assets	6,968,965	3,543,601	7,551,433	3,158,424	2,129,322	37,068	1,556,610	13,607,997	156,766	38,710,185
Total segment liabilities	2,449,135	1,245,344	2,653,835	1,109,980	748,318	13,027	547,047	4,782,321	55,093	13,604,099

Notes to the Financial Statements

For the year ended 31 December 2022

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

The Finance Act 2021 amended sections 9, 10, and 102 of Insurance Act 2003 and defines Capital requirements as follows:

(i) the excess of admissible assets over liabilities, less the amount of own shares held by the company;
(ii) subordinated liabilities subject to approval by the Commission; and
(iii) any other financial instrument as prescribed by the Commission from time to time.
Admissible Assets are defined as Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets will be subject to the approval of the Commission.
The Company awaits further guidelines from the regulator (NAICOM).
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 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 during the year ended 31 December 2022.

Analysis of shareholders funds	**31 Dec 2022**	**31 Dec 2021**
	₦'000	**₦'000**
Total assets	39,996,868	38,710,185
Less: Total liabilities	15,196,562	13,604,099
Shareholders funds as at year end	**24,800,306**	**25,106,086**
Adjustment for non-capital items	563,903	469,694
Available capital resources	**24,236,403** c	**24,636,392**
Changes in available capital	-2%	-5%

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 ₦24,236,403 (2021: ₦24,636,392,000) amounting to an increase over the comparative period.

The statutory minimum capital requirement for Non-life business is ₦3 billion.

	31 Dec 2022	**31 Dec 2021**
	₦'000	**₦'000**
Total shareholders' funds	24,800,306	25,106,086
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	21,800,306	22,106,086
Capitalisation rate	827%	837%

Notes to the Financial Statements

For the year ended 31 December 2022

Capital Management – Objectives, Policies and Approaches Continued.

i **The Minimum Capital Requirement**

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 ₦10bn 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 COVID-19 pandemic.

As required by section 33-35 of Finance Act 2021, the capital requirement is as disclosed in the table below:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Share capital	7,000,000	7,000,000
Share premium	560,294	560,294
Retained earnings	(1,463,786)	(3,517,298)
Contingency reserve	3,395,997	2,882,618
Excess of admissible assets over liabilities	**9,492,505**	**6,925,614**
Less the amount of own shares held (Treasury shares)	-	-
	9,492,505	6,925,614
Subordinated liabilities subject to approval by the Commission	-	-
Any other financial instrument as prescibed by the Commission	-	-
Capital Requirement	**9,492,505**	**6,925,614**

ii **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.

The Company's solvency margin is as follows:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Assets		
Cash and cash equivalents	4,236,501	3,476,697
Investment securities	10,926,214	9,742,322
Trade receivables	199,857	81,468
Other receivables and prepayment	110,756	110,604
Reinsurance assets	5,162,826	4,577,086
Deferred acquisition cost	543,059	432,828
Property plant and equipment	1,388,687	1,268,982
Intangible Assets	-	36,866
Investment Property	160,000	157,500
Statutory deposit	700,000	500,000
Total admissible assets	**23,427,900**	**20,384,353**
The solvency margin requirement		
Liabilities		
Insurance contract liabilities	12,811,727	11,635,256
Trade payables	1,140,673	765,141
Other payables	1,001,996	1,053,785
Defined benefit obligations	84,321	89,659
Current tax liabilities	157,845	60,257
Total admissible liabilities	**15,196,562**	**13,604,098**
Excess of total admissible assets over admissible liabilities (solvency margin)	**8,231,338**	**6,780,254**

Notes to the Financial Statements

For the year ended 31 December 2022

ii **The solvency margin requirement- continued**

		31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
	Higher of (a) and (b):		
	Gross premium income	12,506,551	10,454,408
	Less: Reinsurance expense	(5,428,863)	(5,025,865)
	Net premium	7,077,688	5,428,543
(a)	**15% of net premium**	1,061,653	814,281

		31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
(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	**5,231,338**	**3,780,254**
	Solvency margin ratio	**274%**	**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.

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.

Notes to the Financial Statements

For the year ended 31 December 2022

Capital Management – Objectives, Policies and Approaches- Continued

(c) **Insurance risk concentration:**

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.

Insurance risk concentration per policy type

Line of business	31 Dec 2022			31 Dec 2021		
In thousands of naira	Gross premium written ₦'000	Reinsurance ₦'000	Net ₦'000	Gross premium written ₦'000	Reinsurance ₦'000	Net ₦'000
Fire	2,584,320	(1,710,319)	874,001	2,009,396	(1,095,063)	914,333
Accident	1,377,534	(450,496)	927,038	1,021,744	(559,856)	461,888
Motor	2,689,508	(295,761)	2,393,747	2,177,342	(196)	2,177,146
Marine	936,301	(414,257)	522,044	910,684	(404,010)	506,674
Aviation	518,803	(340,439)	178,364	613,958	(404,735)	209,223
Bond	23,880	(10,657)	13,223	10,688	(5,290)	5,398
Engineering	624,856	(244,383)	380,473	448,825	(262,257)	186,568
Oil & Gas	4,112,194	(1,914,865)	2,197,329	3,923,661	(2,279,282)	1,644,379
Agric	112,393	(47,686)	64,707	45,201	(15,176)	30,025
	12,979,789	**(5,428,863)**	**7,550,926**	**11,161,499**	**(5,025,865)**	**6,135,634**

(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.

Notes to the Financial Statements

For the year ended 31 December 2022

(f) Insurance risk concentration per policy type

Line of business	31 Dec 2022			31 December 2021		
In thousands of naira	Gross outstanding claims	Reinsurance recoveries	Net liabilities	Gross outstanding claims	Reinsurance recoveries	Net liabilities
Motor	636,744	389,557	247,187	733,533	61,275	672,258
Fire	3,257,965	2,297,067	960,898	4,365,472	2,331,389	2,034,083
General accident	1,667,187	481,011	1,186,176	1,162,590	472,037	690,553
Engineering	317,468	76,091	241,377	159,063	63,632	95,432
Marine	1,118,401	54,019	1,064,383	277,074	50,657	226,416
Bond	2,668	-	2,668	2,411	-	2,411
Aviation	188,609	42,684	145,926	128,624	20,584	108,040
Oil & Gas	2,370,977	471,264	1,899,712	2,034,038	772,935	1,261,103
Agric	12,155	3,963	8,193	6,135	3,476	2,659
	9,572,173	**3,815,654**	**5,756,521**	**8,868,941**	**3,775,985**	**5,092,956**

Notes to the Financial Statements

For the year ended 31 December 2022

(g) Claims Development Table

The Company has reported and disclosed its claims reserves based on the requirements of IFRS 4 - Insurance Contracts. Below is the claims development information over the period 2009 – 2022 as follows:

	Cumulative Chain Ladder's Claim payments (in N'000) by Development Year													
Accident Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
2009	173,657	332,796	370,353	377,513	391,386	392,893	393,802	394,509	394,509	394,509	394,509	394,509	394,509	394,509
2010	137.798	329.938	359.675	363.038	377.066	377.511	378.187	382.120	382.120	382.120	382.120	382.120	382.120	
2011	169.264	350.581	389.954	396.496	398.241	401.875	402.527	403.221	403.229	403.229	403.229	403.229		
2012	191.853	342.972	381.191	392.646	396.171	396.224	396.825	396.936	396.936	396.936	396.936			
2013	159.852	368.943	393.739	401.850	402.522	405.682	409.572	409.576	409.576	409.576				
2014	214.831	388.055	413.867	416.091	419.434	421.939	422.454	422.454	422.454					
2015	347.921	550.131	584.112	594.763	595.968	601.224	601.241	601.241						
2016	339.049	518.961	563.887	570.314	570.760	570.760	570.939							
2017	348.603	598.734	633.092	634.956	645.773	649.239								
2018	440.401	677.717	704.207	707.169	707.630									
2019	429.952	736.006	806.418	821.408										
2020	483.544	1.138.090	1.343.763											
2021	874.857	1.430.137												
2022	1,122.508													

The claims development information over the period 2008 – 2021 is as follows:

	Cumulative Chain Ladder's Claim payments (in N'000) by Development Year													
Accident Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	171,095	341,135	391,732	399,788	402,928	402,946	403,291	403,453	403,453	403,453	403,453	403,453	403,453	403,453
2009	173,657	332,796	370,353	377,513	391,386	392,893	393,802	394,509	394,509	394,509	394,509	394,509	394,509	
2010	137,798	329,938	359,675	363,038	377,066	377,511	378,187	382,120	382,120	382,120	382,120	382,120		
2011	169,264	350,581	389,954	396,496	398,241	401,875	402,527	403,221	403,229	403,229	403,229			
2012	191,853	342,972	381,191	392,646	396,171	396,224	396,825	396,936	396,936	396,936				
2013	159,852	368,943	393,739	401,850	402,522	405,682	409,572	409,576	409,576					
2014	214,831	388,055	413,867	416,091	419,434	421,939	422,454	422,454						
2015	347,921	550,131	584,112	594,763	595,968	601,224	601,241							
2016	339,049	518,961	563,887	570,314	570,760	570,760								
2017	348,603	598,734	633,092	634,956	645,773									
2018	440,401	677,717	704,207	707,169										
2019	429,952	736,006	806,418											
2020	483,544	1,138,090												
2021	874,857													

Notes to the Financial Statements
For the year ended 31 December 2022

(h) Sensitivity Analysis of Liability for Claims

31 December 2022		Impact on variables			
Criteria	Changes in Assumption	Gross Liabilities ₦'000	Net Liabilities ₦'000	Profit before tax ₦'000	Equity Fund ₦'000
Average claims cost	+10% increase	708	367	(341)	(170)
Number of claims	+10% increase	309	409	101	50
Average claims settlement period	Reduction by 3 months	(665,153)	(571,168)	93,985	65,793

31 December 2021		Impact on variables			
Criteria	Changes in Assumption	Gross Liabilities ₦'000	Net Liabilities ₦'000	Profit before tax ₦'000	Equity Fund ₦'000
Average claims cost	+10% increase	639	321	(318)	(159)
Number of claims cost	+10% increase	399	171	(228)	(114)
Average claims settlement period	Reduction by 3 months	(665,153)	(571,168)	93,985	65,793

6.3 Financial risks

The Company is exposed to a range of financial risks through its financial instruments and reinsurance assets.

The key financial risk is that in the long term its investments proceeds are not sufficient to meet the obligations arising from its insurance contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks
- Property risks.

(a) Credit risks

Credit risk is the risk of default and change in credit quality of issuers of securities, counter-parties and untimely or non-payment of premiums by policyholders as at when due.

The categories of credit risk exposed to by the Company are:

(I) Direct default risk: which is the risk of non-receipt of cash flows or assets due to the Company because brokers, policyholders and other debtors default on their obligations.

(ii) Concentration risk: which is the exposure of losses due to excessive concentration of business activities to individual counterparties, groups of individuals or related entities, counterparties in specific geographical locations, industry sector, specific products, etc.

(iii) Counterparty risk: this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

In managing credit exposures to counterparties, the Company had instituted the following policies and procedures:

(i) A credit risk management policy, which sets out the assessment and determination of credit risk components. In addition, it sets out the net exposure limits for each counterparty, based on geographical and industry segmentation. The policy is regularly reviewed for pertinence and for changes in the risk environment.

(ii) Reinsurance arrangement is entered with counterparties that have a good credit rating. Concentration risk is avoided by following policy guidelines on counterparties' limits that are set each year by the board of directors and reviewed regularly. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment, if need be.

(iii) The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in Section 50 of the Insurance Act.

(iv) The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.

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Credit risk exposure and concentration

The Company's maximum credit risk exposure as per its statement of financial position as at 31 December 2022 and 31 December 2021 is the carrying amounts of each component. The maximum risk exposure presented below does not include the exposure that arises in the future as a result of the changes in values. Credit risk is spread across many industries, firms and individuals. The Company monitors concentration of credit risk by sector as shown below.

In summary, our credit exposure is highly concentrated in the financial institutions sector – commercial banks, insurance companies, finance houses, etc. The maximum exposure is shown gross, before the effect of mitigation through the use of netting and collateral agreements, below.

31 December 2022

	Financial institutions ₦'000	Manufacturing ₦'000	Aviation ₦'000	Others ₦'000	Total ₦'000
Cash and cash equivalents	4,236,501	-	-	-	4,236,501
Financial assets:					
Fair value through profit or loss	2,849,315	-	-	-	2,849,315
Available-for-sale	16,051,560	-	-	866,807	16,918,367
Loans and receivables	18,903	-	-	230,218	249,121
Held to maturity	5,277,397	-	-	1,174,821	6,452,218
Reinsurance assets (less unearned premium)	5,281,166	-	-	-	5,281,166
Trade receivables	199,857	-	-	-	199,857
Other receivables	-	-	-	779,997	779,997
Statutory deposit	700,000	-	-	-	700,000
Gross credit risk exposure	34,614,699	-	-	3,051,843	37,666,542

31 December 2021

	Financial institutions ₦'000	Manufacturing ₦'000	Aviation ₦'000	Others ₦'000	Total ₦'000
Cash and cash equivalents	3,476,697	-	-	-	3,476,697
Financial assets:					
Fair value through profit or loss	5,050,881	-	-	-	5,050,881
Available-for-sale	18,487,589	-	-	64,029	18,551,618
Loans and receivables	39,793	-	-	101,865	141,658
Held to maturity	2,441,208	-	-	1,248,986	3,690,194
Reinsurance assets (less unearned premium)	4,639,643	-	-	-	4,639,643
Trade receivables	81,468	-	-	-	81,468
Other receivables	-	-	-	333,655	333,655
Statutory deposit	500,000	-	-	-	500,000
Gross credit risk exposure	34,717,278	-	-	1,748,535	36,465,813

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Credit Risk Quality
One of the principal criteria used to judge the risk of default (or quality) of our credit risk exposure is credit quality of the counterparty we are exposed to. This we determine by using our internal credit rating criteria, which is benchmarked against Global Credit Rating Co.'s rating criteria as comparatively shown below:

Credit Quality	GRC Rating Scale	Linkage Rating Scale	Definition of Criteria
LOW	AAA	AAA	Highest Credit Quality: The risk factors are negligible, being only slightly more than risk-free government instruments.
	AA+ - AA-		
	A+ - A-	AA	Very High Credit Quality: Protection factors are very strong. Adverse changes in business, economic or financial conditions would increase investment risk, although not significant.
MEDIUM	BBB+ - BBB-	BBB	Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.
	BB+ - BB-		Below investment grade but capacity for timely repayment exists. Present or prospective financial protection factors fluctuate according to industry's conditions or company's fortunes. Overall, quality may move up or down frequently within this categories.
	B+ - B-	BB	Below investment grade and possessing risk that obligations will not be met when due. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes.
HIGH	CCC	NOT RATED	Well below investment grade securities. Considerable uncertainty exists as to timely payment of principal or interest. Protection factors are narrow and risk can be substantial with unfavorable economic/industry conditions, and/or with unfavourable company development.
	DD		Defaulted debt obligations. The issuer failed to meet scheduled principals and/or interest payments. Company has been, or is likely to be, placed under the order of the court.

Overall, our credit risk exposure has maintained a low risk profile. This is because our exposure to high risk counterparties has been low in order to protect policyholder funds and secure the liquidity of operating funds.
It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geography and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.
During the year, no credit exposure limit was exceeded.

We provide a further analysis of our credit risk exposure in terms of counterparty's financial instruments as investment grades or non-investment grades, as well as Neither Past Due or Past Due but Not Impaired. All our financial assets during the period are neither past due or past due but not impaired with the exception of trade receivables as shown below.

As at 31 December 2022	**Neither Past Due nor Impaired**				
	Investment	**Non-Investment Grades**		**Past Due and**	**Total**
In thousands of Naira **Assets**	**Grades**	**Satisfactory**	**Unsatisfactory**	**Impaired**	
Cash and cash equivalents	4,308,670	1,097	-	73,266	4,236,501
Financial assets:					
- FVTPL	2,849,315	-	-	-	2,849,315
- Available-for-sale	16,918,367	-	-	-	16,918,367
- Held-to-maturity	5,277,397	1,174,821	-	-	6,452,218
- Loans and receivables	18,903	230,218	-	-	249,121
Reinsurance assets	-	5,281,166	-	-	5,281,166
Trade receivables	-	199,857	-	-	199,857
Other receivables	-	779,997	-	-	779,997
Statutory deposit	700,000	-	-	-	700,000
Total credit exposure	30,072,652	7,667,156	-	73,266	37,666,542

Notes to the Financial Statements

For the year ended 31 December 2022

As at 31 December 2021	Neither Past Due nor Impaired				
	Investment Grades	Non-Investment Grades		Past Due but not Impaired	Total
In thousands of Naira **Assets**	₦'000	Satisfactory ₦'000	Unsatisfactory ₦'000	₦'000	₦'000
Cash and cash equivalents	3,603,672	445	-	127,421	3,476,697
- FVTPL	5,050,881	-	-	-	5,050,881
- Available-for-sale	18,701,618	-	-	-	18,701,618
- Held-to-maturity	2,441,208	1,248,986	-	-	3,690,194
- Loans and receivables	39,793	101,865	-	-	141,658
Reinsurance assets	-	4,639,643	-	-	4,639,643
Trade receivables	-	81,468	-	-	81,468
Other receivables	-	333,655	-	-	333,655
Statutory deposit	500,000	-	-	-	500,000
Total credit exposure	**30,337,172**	**6,406,062**	**-**	**127,421**	**36,615,813**

Impaired Financial Assets

As at 31 December 2022, there were no impaired reinsurance assets (31 December 2021: Nil) and impaired loans and receivables amounted to ₦233.75 million (31 December 2021: ₦141.66 million).

For assets to be classified "past-due and impaired" contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

Credit Collateral

The amount and type of collateral required depends on an assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and the valuation parameters. Collateral is mainly obtained for securities lending and for cash purposes. Credit risk is also mitigated by entering into collateral agreements.

Management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. The collateral can be sold or replaced by the Company, where necessary and is repayable if the contract terminates or the contract's fair value decreases. No collateral received from the counterparty has been sold or repledged this year.

(b) Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The characteristic nature of our business requires the availability of adequate cash flow to meet our contractual obligations to policyholders (and other third parties) in the event of claim settlement.

This is the risk of loss arising due to insufficient liquid assets to meet cash flow requirements or to fulfil financial obligation once claims crystallize. In the case of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Company's exposure to liquidity risk comprises of:

(i) Funding (Cash-flow) Liquidity Risk: This is the risk of not meeting current and future cash flow and collateral needs, both expected and unexpected, without materially affecting daily operations or overall financial condition of the Company.
Market (Asset) Liquidity Risk: This is the risk of loss which is occasioned by the incapacity to sell assets at or near their carrying value at the time needed."

(ii) The Company mitigates its exposure to liquidity risk through the following mechanisms:

- Liquidity policy, which sets out the assessment and determination of what constitutes the Company's liquidity risk. Compliance with the policy is monitored and exposures and breaches are reported to the Assets and Liability Management Committee. The policy is regularly reviewed for pertinence ad for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- Below is a maturity profile summary of the Company's undiscounted contractual obligations cash flows of financial assets matched with financial liabilities. For insurance contract liabilities and reinsurance assets, maturity profile estimates are based on timing of net cash flows from the recognized insurance liabilities.
- Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.
- In addition, the Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

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Maturity Analysis (on Expected maturity basis)

The table below summarizes the expected utilization or settlement of assets and liabilities:

	31 December 2022			31 December 2021		
	Current ₦'000	Non-Current ₦'000	Total ₦'000	Current ₦'000	Non-Current ₦'000	Total ₦'000
Assets						
Cash and cash equivalents	4,236,501	-	4,236,501	3,476,697	-	3,476,697
Financial assets	9,550,654	16,918,367	26,469,021	8,882,733	18,701,618	27,584,351
Trade receivables	199,857	-	199,857	81,468	-	81,468
Reinsurance assets	5,281,166	-	5,281,166	4,639,643	-	4,639,643
Deferred acquisition cost	543,059	-	543,059	432,828	-	432,828
Other receivables & prepayments	779,997	-	779,997	333,655	-	333,655
Investment property	-	160,000	160,000	-	157,500	157,500
Intangible assets		20,844	20,844		36,866	36,866
Property & equipment	-	1,584,679	1,584,679	-	1,467,178	1,467,178
Right-of-use assets	-	21,744	21,744	-	25,221	25,221
Statutory deposit	-	700,000	700,000	-	500,000	500,000
Total Assets	20,591,235	19,405,634	39,996,869	17,847,024	20,888,384	38,735,407
Liabilities						
Insurance liabilities	12,811,727	-	12,811,727	11,635,256	-	11,635,256
Trade payables	1,140,673	-	1,140,673	765,141	-	765,141
Other payables	1,001,996	-	1,001,996	1,053,785	-	1,053,785
Provision for litigation	-	-	-	-	-	-
Retirement benefit obligations	-	84,321	84,321	-	89,659	89,659
Income tax liabilities	157,845	-	157,845	60,257	-	60,257
Deferred tax liabilities	-	-	-	-	-	-
Total Liabilities	15,112,241	84,321	15,196,562	13,514,439	89,659	13,604,098

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

- Foreign exchange risk
- Interest-rate risk
- Equity price risk

The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's Asset Liability Management Committee and Board through its Audit, Compliance and Risk Management Committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

- The Company stipulates diversification benchmarks by type of instrument and geographical area based on exposure to variations in interest rates, equity prices and foreign exchange.

- There is strict control over hedging activities.

(i) Currency (Foreign Exchange) Risk

Currency risk is the potential risk of loss from fluctuating foreign exchange rates as a result of the Company's exposure to foreign currency denominated transactions. It is also the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arises primarily with respect to transactions denominated in foreign currencies. The Company's financial assets are primarily denominated in local currency as its insurance contract liabilities and investment. This mitigates the foreign currency exchange rate risk for its operations. Thus, the main foreign exchange risk arises from translation of recognized assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

Notes to the Financial Statements
For the year ended 31 December 2022

Analysis of assets and liability by major currencies

The table below summarizes the Company's financial assets and liabilities by major currencies:

31 December 2022 Assets	Naira ₦'000	Euro ₦'000	Pound Sterling ₦'000	US Dollars ₦'000	Total ₦'000
Cash and cash equivalents	4,006,498	27,568	3,239	199,196	4,236,501
Financial assets	25,474,927	-	-	994,094	26,469,021
Trade receivables	199,857	-	-	-	199,857
Reinsurance assets	5,162,826	-	-	118,340	5,281,166
Deferred acquisition cost	543,059	-	-	-	543,059
Other receivables	602,327	-	-	-	602,327
Statutory deposit	700,000	-	-	-	700,000
TOTAL ASSETS	**36,689,494**	**27,568**	**3,239**	**1,311,630**	**38,031,931**
Liabilities					
Trade payables	1,140,673	-	-	-	1,140,673
Finance lease obligation	-	-	-	-	-
Other payables	658,996	-	-	-	658,996
Provision for litigations	343,000	-	-	-	343,000
TOTAL LIABILITIES	**2,142,669**	**-**	**-**	**-**	**2,142,669**

31 December 2021 Assets	Naira ₦'000	Euro ₦'000	Pound Sterling ₦'000	US Dollars ₦'000	Total ₦'000
Cash and cash equivalents	3,396,093	23,461	2,143	55,000	3,476,697
Financial assets	26,548,369	-	-	1,035,982	27,584,351
Trade receivables	81,468	-	-	-	81,468
Reinsurance assets	4,577,086	-	-	62,557	4,639,643
Deferred acquisition cost	432,827	-	-	-	432,827
Other receivables	129,090	-	-	-	129,090
Statutory deposit	500,000	-	-	-	500,000
TOTAL ASSETS	**35,664,933**	**23,461**	**2,143**	**1,153,539**	**36,844,075**
Liabilities					
Trade payables	765,141	-	-	-	765,141
Finance lease obligation	219				219
Other payables	707,785	-	-	-	707,785
Provision for litigations	346,000	-	-	-	346,000
TOTAL LIABILITIES	**1,819,145**	**-**	**-**	**-**	**1,819,145**

The Company has no significant concentration of foreign currency risk.

Sensitivity analysis - foreign currency risk

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The movements in these variables are non–linear.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

Sensitivity analysis of major currencies

	31 December 2022			31 December 2021		
Major Currencies	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**
EURO	+10%	2,757	1,930	+10%	2,346	1,642
GBP	+10%	324	227	+10%	214	150
USD	+10%	131,163	91,814	+10%	115,354	80,748
EURO	-10%	(2,757)	(1,930)	-10%	(2,346)	(1,642)
GBP	-10%	(324)	(227)	-10%	(214)	(150)
USD	-10%	(131,163)	(91,814)	-10%	(115,354)	(80,748)

Notes to the Financial Statements
For the year ended 31 December 2022

(ii) Interest rate risk
Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Investment in fixed interest rate instruments exposes the Company to cash flow interest risk and fair value interest risk. This is because the Company's investment approach is conservative with high investment in fixed income instruments. The Company does not have interest-rate based liabilities. However, the Company's investment income moves with interest rate over the time creating unrealized gains or losses.
The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Any gap between fixed and variable rate instruments and their maturities are effectively managed by the Company through derivative financial instruments. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity or terminated.
The Company has no significant concentration of interest rate risk.

1 Sensitivity analysis - interest rate risk
The table below details analysis of the impact of interest rate changes on reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of floating rate financial assets and liabilities, including the effect of fair value hedges) and equity (that reflects adjustments to profit before tax). The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

31 December 2022

Interest earning assets	Basis points	Impact on Profit before tax ₦'000	Up to 1 Year ₦'000	1 -3 Years ₦'000	3 - 5 Years ₦'000	> 5 years ₦'000	Total ₦'000
Short term deposit	+100	26,737	26,737	-	-	-	26,737
Other investments (a)	+100	21,833	21,833	-	-	-	21,833
Bonds	+100	45,421	-	45,421	-	-	45,421
Short term deposit	-100	(26,737)	(26,737)	-	-	-	(26,737)
Other investments (a)	-100	(21,833)	(21,833)	-	-	-	(21,833)
Bonds	-100	(45,421)	-	(45,421)	-	-	(45,421)

a Other investments consists of promissory notes of N10.084m (2021: 197.78) and investment notes of N11.748m (2021: 915.70)

31 December 2021

Interest earning assets	Basis points	Impact on Profit before tax ₦'000	Up to 1 Year ₦'000	1 -3 Years ₦'000	3 - 5 Years ₦'000	> 5 years ₦'000	Total ₦'000
Short term deposit	+100	16,982	16,982	-	-	-	16,982
Treasury Bill	+100	17,214	17,214	-	-	-	17,214
Bonds	+100	45,421	-	45,421	-	-	45,421
Short term deposit	-100	(16,982)	(16,982)	-	-	-	(16,982)
Treasury bill	-100	(17,214)	(17,214)	-	-	-	(17,214)
Bonds	-100	(45,421)	-	(45,421)	-	-	(45,421)

Notes to the Financial Statements

For the year ended 31 December 2022

(iii) *Equity Risk*

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices, principally quoted stocks and shares securities.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

The Company has no significant concentration of price risk.

Sensitivity Analysis - equity price risk

The following table contains the fair value and related equity price risk sensitivity of the Company's listed and non-listed equity securities. The equity price risk sensitivity has been calculated based on what the Company views to be reasonably possible changes in the equity prices for the coming year. For listed equities a 20% change in the equity price has been used in the calculation of the sensitivity as at 31 December 2022. For non-listed securities a 40% change in the equity prices has been used in the calculation of the sensitivity.

Sensitivity Analysis - equity price risk

		31 Dec 2022			31 Dec 2021	
Market Indices	Fair Value	Impact on Profit before tax	Impact on Equity	Fair Value	Impact on Profit before tax	Impact on Equity
Fair value through profit or loss	2,849,315	569,863	398,904	5,050,881	1,010,176	707,123
Available-for-sale - Quoted	1,375,560	275,112	192,578	859,589	171,918	120,342
Available-for-sale - Unquoted	15,542,807	6,217,123	3,108,561	17,842,029	3,568,406	2,497,884
Fair value through profit or loss	2,849,315	(569,863)	(398,904)	5,050,881	(1,010,176)	(707,123)
Available-for-sale - Quoted	1,375,560	(275,112)	(192,578)	859,589	(171,918)	(120,342)
Available-for-sale - Unquoted	15,542,807	(6,217,123)	(3,108,561)	17,842,029	(3,568,406)	(2,497,884)

Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

Valuation Model

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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 Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs 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. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Notes to the Financial Statements

For the year ended 31 December 2022

The table below shows financial assets carried at fair value:

	Level 1 ₦'000	31 Dec 2022 Level 2 ₦'000	Level 3 ₦'000	Level 1 ₦'000	31 Dec 2021 Level 2 ₦'000	Level 3 ₦'000
Financial assets						
Quoted investments	2,849,315	-	-	5,050,881	-	-
Investment in unit trust scheme	1,375,560	-	-	859,589	-	-
Unquoted equity investments	-	-	14,676,000	-	-	17,628,000
Bonds carried at FVOCI	-	-	802,778	-	-	150,000
	4,224,875	**-**	**15,478,778**	**5,910,470**	**-**	**17,778,000**

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised

31 December 2022

In thousands of Naira **Assets**	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total fair value ₦'000	Total carrying amount ₦'000
Cash and cash equivalents	-	4,236,501	-	4,236,501	4,236,501
Financial assets:					
Available-for-sale	-	-	64,029	64,029	64,029
Loans and receivables	-	249,121	-	249,121	249,121
Held to maturity	4,806,577	1,466,257	-	6,272,834	6,452,218
Trade receivables	-	199,857	-	199,857	199,857
Other receivables	-	602,327	-	602,327	602,327
				11,624,669	11,804,053
Liabilities					
Insurance contract liabilities	-	12,811,727	-	12,811,727	12,811,727
Trade payables	-	1,140,673	-	1,140,673	1,140,673
Other payables	-	1,001,996	-	1,001,996	1,001,996
				14,954,396	14,954,396

31 December 2021

Assets	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total fair value ₦'000	Total carrying amount ₦'000
Cash and cash equivalents	-	3,476,697	-	3,476,697	3,476,697
Financial assets:					
Available-for-sale	-	-	64,029	64,029	64,029
Loans and receivables	-	141,658	-	141,658	141,658
Held to maturity	3,690,194	-	-	3,690,194	3,690,194
Trade receivables	-	81,468	-	81,468	81,468
Other receivables	-	129,090	-	129,090	129,090
				7,583,136	7,583,136

Notes to the Financial Statements
For the year ended 31 December 2022

Valuation Model 31 December 2021	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total fair value ₦'000	Total carrying amount ₦'000
Liabilities					
Insurance contract liabilities	-	11,635,256	-	11,635,256	11,635,256
Trade payables	-	765,141	-	765,141	765,141
Other payables	-	1,053,785	-	1,053,785	1,053,785
Defined benefit obligations	-	89,659	-	89,659	89,659
				13,543,841	13,543,841

7 Cash and cash equivalents

Cash and cash equivalents comprise:

	31 Dec 2022 ₦000	31 Dec 2021 ₦000
Cash in hand	1,097	445
Balances with banks & other financial institutions (see (a) below)	4,308,670	3,603,672
	4,309,767	3,604,117
Allowance for impairment (see (b) below)	(73,266)	(127,421)
Cash and cash equivalents as at year end	**4,236,501**	**3,476,697**

(a) 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.

(b)

Allowance for impairment	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance as at the beginning of the year	127,421	127,421
Reversal (see (i) below)	(11,843)	-
Write off (see (ii) below)	(42,313)	-
Balance as at the end of the year (see '(c) below for details)	**73,266**	**127,421**

(i) This relates to recovery on placement with Resort Savings & Loans Ltd that was previously impaired.

(ii) This relates to short term investments in Moribund banks – Assurance bank, Peak Merchant Bank, Mani bank, Central Point Merchant Bank, Triumph Bank and Deap Capital Management & Trust Ltd that were previously impaired but now written-off the books completely.

(c) Amount relates to short term investments with Resort Savings and Loans ₦63.3million (2021: ₦75.1million), Triumph Bank ₦ nil (2021: ₦20.1 million), Profound Finance and Investment Ltd ₦9.5 million (2021: ₦9.5million), Assurance Bank ₦ nil (₦9.3million), Center Point Merchant Bank ₦ nil (2021: ₦7.4million),Capital Trust Investment & Asset Ltd ₦0.5million (2021: ₦ nil million) and Others ₦ nil (2021: ₦6million) which are fully impaired and their recoverability are in doubt.

8 Investment securities

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 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Fair value through profit or loss (note 8.1)	2,849,315	5,050,881
Available-for-sale (note 8.2)	16,918,367	18,701,618
Loans and receivables (note 8.3)	249,121	141,658
Held to maturity (note 8.4)	6,452,218	3,690,194
	26,469,021	**27,584,351**

8(a) Financial instrument classification

	31 Dec 2022				
	Fair Value through Profit or Loss ₦'000	Available for Sale ₦'000	Loans and Receivables ₦'000	Held to Maturity ₦'000	Total ₦'000
- Listed	2,849,315	1,375,560	-	810,410	5,035,285
- Unlisted	-	15,542,807	-	5,641,808	21,184,615
- Other financial assets	-	-	249,121	-	249,121
	2,849,315	16,918,367	249,121	6,452,218	26,469,021

Notes to the Financial Statements

For the year ended 31 December 2022

Financial instrument classification - continued.

	31 Dec 2022				
	Fair Value through Profit or Loss ₦'000	Available for Sale ₦'000	Loans and Receivables ₦'000	Held to Maturity ₦'000	Total ₦'000
Within one year	2,849,315	-	249,121	6,452,218	9,550,654
More than one year	-	16,918,367	-	-	16,918,367
	2,849,315	16,918,367	249,121	6,452,218	26,469,021

8(b) Financial instrument classification

	31 Dec 2021				
	Fair Value through Profit or Loss ₦'000	Available for Sale ₦'000	Loans and Receivables ₦'000	Held to Maturity ₦'000	Total ₦'000
- 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
	5,050,881	18,701,618	141,658	3,690,194	27,584,351
Within one year	5,050,881	-	141,658	3,690,194	8,882,733
More than one year	-	18,701,618	-	-	18,701,618
	5,050,881	18,701,618	141,658	3,690,194	27,584,351

8.1 Fair value through profit or loss

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

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance as at the beginning of the year	5,050,881	8,655,489
Addition during the year	1,713,854	1,832,801
Disposal during the year	(3,733,139)	(4,168,919)
	3,031,596	6,319,371
Fair value loss	(182,281)	(1,268,490)
Balance as at the end of the year	**2,849,315**	**5,050,881**

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

8.2 Available for sale

Available for sale financial assets comprise:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Unquoted equities - at FVTOCI (see (a) below)	14,676,000	17,628,000
Equity mutual funds	1,375,560	859,589
Bonds at FVTOCI	802,778	150,000
Unquoted equities - at cost	64,029	64,029
	16,918,367	**18,701,618**

Reconciliation of Movements in Available for Sale during the year 2022

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Gross balance as at January 1	18,701,618	14,902,515
Addition during the year	1,140,020	401,250
Fair value (loss)/gain	(2,923,271)	3,397,853
Balance as at December 31	**16,918,367**	**18,701,618**

Notes to the Financial Statements
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(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.
The fair value of the investment as at 31 December 2022 was ₦14.676 billion (31 December 2021: ₦17.628 billion) and was determined using the discounted cashflow (DCF) method and level 3 inputs of the IFRS 13 Fair Value Measurement fair value hierarchy.
The valuation was done by Sirius Associate. The valuation report was signed by Oluwakemi A. Adeniran with FRC number FRC/2012/ICAN/00000000205.

Summary of Significant Assumptions

Description	31-Dec-22	31-Dec-21
Growth in gross income (GI) % over the next 5 years	16	12
Operating expenses / Gross income %	32	30
Depreciation and amortization / Gross income %	2	2
Effective tax rate (Tax / Profit before tax) %	32	33
Capital expenditure / Gross income % over the next 5 years	28, 2, 2, 2, 2	18, 30, 2, 2, 2
Perpetual growth rate %	5.2	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 %	31.16	23.33
Risk-free rate %	14.00	13.28
Market risk premium %	17.16	10.05
Beta	1	1
Weighted average cost of capital %	31.16	23.33
Equity value of Stanbic IBTC Pension Managers Limited (see note 8.2(a))	177.293	187.377
Illiquidity discount %	20	20
Value of Linkage Assurance PLC's equity stake	₦14.676 billion	₦17.628 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 December 2022

	Equity Value (₦million)									
	Terminal growth rate of FCF									
WACC		3.20%	3.70%	4.20%	4.70%	5.20%	5.70%	6.20%	6.70%	7.20%
	29.16%	162,615	164,197	165,843	167,556	169,341	171,202	173,144	175,172	177,293
	29.66%	159,418	160,921	162,482	164,106	165,796	167,557	169,393	171,308	173,309
	30.16%	156,345	157,772	159,254	160,794	162,396	164,064	165,801	167,612	169,503
	30.66%	153,386	154,743	156,151	157,614	159,133	160,714	162,360	164,074	165,861
	31.16%	150,537	151,828	153,167	154,556	155,999	157,499	159,059	160,682	162,373
	31.66%	147,791	149,020	150,294	151,615	152,987	154,410	155,890	157,429	159,031
	32.16%	145,144	146,315	147,528	148,785	150,088	151,441	152,846	154,307	155,826
	32.16%	142,589	143,705	144,861	146,058	147,299	148,585	149,920	151,307	152,748
	33.16%	140,122	141,187	142,289	143,430	144,611	145,835	147,105	148,423	149,792

At 31 December 2021

	Equity Value (₦ million)								
	Terminal growth rate of FCF								
WACC		5.29%	5.79%	6.29%	6.79%	7.29%	7.79%	8.29%	8.79%
	21.33%	200,581	204,791	209,281	214,080	219,220	224,741	230,685	237,103
	21.83%	194,251	198,150	202,300	206,726	211,456	216,523	221,965	227,824
	22.33%	188,301	191,919	195,763	199,853	204,216	208,879	213,874	219,238
	22.33%	182,698	186,061	189,628	193,417	197,450	201,751	206,347	211,272
	23.33%	177,413	180,545	183,860	187,377	191,112	195,088	199,328	203,860
	23.83%	172,419	175,341	178,429	181,698	185,164	188,847	192,767	196,948
	24.33%	167,695	170,424	173,304	176,349	179,572	182,990	186,622	190,487
	24.83%	163,219	165,772	168,463	171,303	174,305	177,484	180,854	184,435
	25.33%	158,972	161,364	163,882	166,535	169,336	172,296	175,431	178,754

Notes to the Financial Statements
For the year ended 31 December 2022

8.3 Loans and receivables

31 December 2022

	Gross Amount	Impairment	Carrying Amount
	₦'000	₦'000	₦'000
Due from third parties (see note a & b below)	113,227	(68,115)	45,112
Loan to staff	187,663		187,663
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	51,855	(35,509)	16,346
	366,400	**(117,279)**	**249,121**

31 December 2021

	Gross Amount	Impairment	Carrying Amount
	₦'000	₦'000	₦'000
Due from third parties (see note a & b below)	200,048	(91,974)	108,074
Loan to staff	32,230	-	32,230
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	36,863	(35,509)	1,354
	282,796	**(141,138)**	**141,658**

(a) Breakdown of Due from third parties

Name of third parties	31 Dec 2022	31 Dec 2021
In thousand of Naira	₦'000	₦'000
Lease Fin. - Olumegbon	297	297
Tsf Fin. - Lease Fin.	927	927
Pine Hill Leasing	18,903	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.	20,414	58,020
Taxaide Global	-	46,050
Stanbic IBTC Bank Plc- CP	17,725	-
Total	**113,227**	**200,048**

(b) Impairment allowance

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance at the beginning of the year	(141,138)	(176,928)
Movement during the period	23,859	35,790
Balance at the end of the year	**(117,279)**	**(141,138)**

Loans and receivables are measured at amortised cost using the effective interest rate. The effective interest rate for the purpose of staff loan valuation is the applicable market lending rates at the time of availment. The impairment allowance of ₦117 million consists of ₦68 million impairment on due from third parties, ₦13.65 million on Loans to policy holders and ₦35.51million on ex-staff loans.

Notes to the Financial Statements
For the year ended 31 December 2022

8.4 Held to maturity

	31 Dec 2022 N'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	3,701,386	1,520,658
Redemptions during the year	(86,053)	(329,214)
	3,615,333	**1,191,444**
Additions during the period	2,848,077	2,509,942
	6,463,410	**3,701,386**
Impairment loss	(11,192)	(11,192)
Balance at the end of the year	**6,452,218**	**3,690,194**

(a) The held to maturity instrument consists of bonds investment of ₦3.49billion (2021: ₦1.97billion), investment notes of ₦1.27billion (2021: ₦1.32billion) and promissory notes of ₦914.99 million (2021: ₦399.50 million).

(b) The impairment loss of ₦11.192 million consists of impairment charge on investments in DEAP Capital of ₦11.19 million (2021: ₦11.19 million).

Breakdown of Held to maturity financial assets is as follows:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Bonds Investment	3,487,638	1,968,793
Investment notes	1,268,266	1,321,909
Promissory notes	914,986	399,492
Treasury bills	781,328	-
	6,452,218	**3,690,194**

9 Trade receivables

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Due from broker	199,857	81,468
	199,857	**81,468**

9.1 Analysis of debtors in days

	31 Dec 2022		31 Dec 2021	
	No. of Policies	Amount ₦'000	No. of Policies	Amount ₦'000
0-14 days	98	170,755	95	68,765
15 - 30 days	37	29,102	67	12,703
	135	**199,857**	**162**	**81,468**

10 Reinsurance assets

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000	Changes during the year ₦'000
Prepaid reinsurance (note 10(a))	1,347,171	801,100	546,071
Reinsurance recoverable on outstanding claims (note 10(b))	3,339,551	3,006,069	333,482
Reinsurance projection on IBNR (note 10(c))	476,104	769,917	(293,813)
	5,162,826	4,577,086	585,740
Due from Reinsurers (see note (i) below)	118,340	62,557	55,783
	5,281,166	**4,639,643**	**641,523**

(i) This represents amount due from reinsurers on claims paid during the year. The table below shows the aging analysis:

	31 Dec 2022		31 Dec 2021	
	No. of Policies	Amount ₦'000	No. of Policies	Amount ₦'000
0 - 90 days	6	78,391	7	62,557
91 - 180 days	5	39,949	-	-
Above 180 days	-	-	-	-
	11	**118,340**	**7**	**62,557**

Notes to the Financial Statements

For the year ended 31 December 2022

(a) Movement in prepaid reinsurance costs

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	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	801,100	852,723
Additions during the year	5,974,934	4,974,242
Reinsurance expense in the year (see note 33.1)	(5,428,863)	(5,025,865)
Balance at the end of the year	**1,347,171**	**801,100**

Breakdown of prepaid reinsurance is as follows:

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Motor	59,649	-
Fire	519,436	321,768
General accident	139,852	107,551
Engineering	160,295	55,312
Marine	121,354	100,533
Bond	1,266	611
Aviation	31,197	32,345
Agric	51,265	10,049
Oil & Gas	262,858	172,931
	1,347,171	**801,100**

(b) Movement in reinsurance recoverable on outstanding claims

	31 Dec 2022 N'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	3,006,069	1,239,009
Recoveries during the year (see note 18.1(a))	333,482	1,767,060
Balance at the end of the year	**3,339,551**	**3,006,069**

(c) Movement in reinsurance recoverable on IBNR projection

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	769,916	144,014
Changes during the year (see note 18.1(c))	(293,812)	625,902
Balance at the end of the year	**476,104**	**769,916**

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

11 Deferred acquisition cost

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

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Motor	160,347	75,824
Fire	131,273	103,596
Accident	54,116	41,223
Engineering	41,807	26,711
Marine	35,810	33,676
Bond	441	182
Aviation	(34,749)	13,407
Oil & Gas	137,866	135,247
Agric	16,148	2,961
	543,059	**432,827**

11.2 Movement in the deferred acquisition costs

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	432,827	328,812
Increase during the year (see note 36.1)	110,232	104,015
Balance at the end of the year	**543,059**	**432,827**

Notes to the Financial Statements
For the year ended 31 December 2022

12 Other receivables and prepayments

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Prepayments (see (a) below)	177,670	179,344
Other receivables (see (b) below)	604,929	135,301
	782,599	314,645
Allowance for impairment	(2,602)	(6,211)
	779,997	**308,434**

(a) Prepayments

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Prepaid staff benefits (see (i) below)	110,756	110,604
Deposits with stock broker (see (ii) below)	2,602	2,602
Prepaid rent	10,207	23,827
Other prepaid expenses (see (iii) below)	54,105	42,311
	177,670	**179,344**

(i) This represents amounts prepaid to staff of the Company with respect to rent advance (₦31.61million), furniture grant (₦2.57 million, staff fleet premium advance (₦0.3 million) and car loan encashment (₦76.13million).
(ii) This represents deposits with stock brokers.
(iii) This includes expenses incurred by the Company whose payments were made in advance but services have not been fully rendered within specific period intervals.

(b) Other receivables

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Withholding tax recoverable	141,443	112,561
Sundry receivables (see (i) below)	463,486	22,740
	604,929	135,301
Allowance for impairment (see (ii) below)	(2,602)	(6,211)
	602,327	**129,090**

(i) This represents balance on contribution to claims pool.
(ii) The impairment allowance of ₦2.6 million represents impairment on deposits with stock brokers.

Movement in allowance for impairment

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	6,211	6,211
Reversal*	(3,609)	-
Balance at the end of the year	**2,602**	**6,211**

* This relates to long outstanding prepaid benefits that were previously impaired but now written-off the books completely.

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 ₦'000	Additions ₦'000	Disposals ₦'000	Reclassification ₦'000	Fair value gain/(loss) ₦'000	Carrying amount as at 31 December 2022 ₦'000
1	No. 9C Shekinah Green Estate, Apo District, Abuja.	78,750	-	-	-	1,250	80,000
2	No. 11C Shekinah Green Estate, Apo District, Abuja.	78,750	-	-	-	1,250	80,000
		157,500	-	-	-	2,500	160,000

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

Notes to the Financial Statements
For the year ended 31 December 2022

(b) Reconciliation of carrying amount

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Balance at the beginning of the year	157,500	150,000
Fair value gain	2,500	7,500
Balance at the end of the year	**160,000**	**157,500**

(c) Measurement of fair values

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

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Level 1	-	-
Level 2	-	-
Level 3	160,000	157,500
	160,000	**157,500**

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 2022, 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/2012/0000000000487. The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363.

14 Intangible assets

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Cost		
Balance at the beginning of the year	114,906	67,147
Addition during the year	21,253	47,759
Derecognition during the year	(47,759)	-
Balance at the end of the year	**88,400**	**114,906**
Accumulated Amortisation		
Balance at the beginning of the year	78,040	65,948
Charge for the year	7,427	12,092
Amortisation on derecognized asset	(17,910)	-
Balance at the end of the year	67,556	78,040
Carrying amount		
Balance at the end of the year	**20,844**	**36,866**

"The intangible assets include computer software acquired for use in the Company's operation. The assets are usually amortized over their useful life most which do not exceed 4 years. Amortization methods are reviewed at each financial year and adjusted if appropriate.During the year, the Company derecognized one of it's new core insurance application 'Turnquest' because it could not proceed with it's usage due to its inability to meet user's needs."

Notes to the Financial Statements

For the year ended 31 December 2022

15 Property and equipment
At 31 December 2022

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/valuation							
At 1 January 2022	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946
Additions	-	-	253,202	9,417	71,727	-	334,346
Disposal	-	-	(83,202)	(230)	(3,515)	-	(86,947)
At 31 December 2022	847,420	287,817	1,023,951	165,404	305,892	85,861	2,716,345
Accumulated depreciation							
At 1 January 2022	-	94,542	588,285	144,218	174,723	-	1,001,768
Charge for the year	-	4,704	165,701	6,743	38,311	-	215,459
Disposal	-		(82,377)	(230)	(2,953)		(85,560)
At 31 December 2022	-	99,246	671,609	150,731	210,081	-	1,131,666
Carrying amount							
At 31 December 2022	847,420	188,571	352,342	14,674	95,811	85,861	1,584,679
At 31 December 2021	847,420	193,275	265,665	12,000	62,957	85,861	1,467,178

Property and equipment
At 31 December 2021

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
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)
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	193,275	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

Notes to the Financial Statements
For the year ended 31 December 2022

15 Property and equipment continued

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

Class of PPE	31 December 2022 Level 1	31 December 2022 Level 2	31 December 2022 Level 3	31 December 2021 Level 1	31 December 2021 Level 2	31 December 2021 Level 3
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Land	-	-	847,420	-	-	847,420
Building	-	-	188,571	-	-	193,276
	-	**-**	**1,035,991**	**-**	**-**	**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/2012/0000000000487) and the report was signed by Andem Bassey (FNIVS, RSV) with (FRC/2012/NIESV/00000000363). The Company revalues its land and buildings every three years as stated in its accounting policy.

a) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
b) 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.
c) The Company had no capital commitments as at the reporting date (December 2021: nil).
d) There was no item of property and equipment that has been pledged as security for borrowings as at the year ended 31 December 2022 (December 2021: nil).
e) An impairment assessment was conducted and no impairment indicator was identified.

Below table shows the details of the property and equipment carried at revalued amount:

Name of property	Date of acquisition	Title document	Location	Carrying amount	Steps taken for perfection of document
Land and Building In Lekki express way	20-Nov-05	Deed of Assignment	Plot 20, Block 94, Lekki express way	732,303	Lagos State Governor Consent obtained on 26/09/2016
Land and Building at Ilupeju	12-Mar-02	Deed of Assignment	11A, Coker road, ilupeju, Lagos State	91,268	The company had applied to register the deed of assignment with the Lagos State Lands Registry
Land in Yenagoa	30-Apr-12	Letter of allocation by Bayelsa State Government	Central business district Swali, Yenagoa, Bayelsa State	55,000	The company had applied to register the allocation letter with the Bayelsa State Lands Registry
Linkage Millennium Tower, Port Harcourt	26-Sep-03	Deed of Assignment	Amadi layout along Port Harcourt/ Aba Express road	157,420	The company had applied to register the deed of assignment with the Rivers State Ministry of Lands
				1,035,991	

f) Land and building: historical costs

The Company has adopted the carrying value of land and buildings as at 1 January 2012 as the deemed cost of the assets. This represents the cost of the assets when the Company first adopted IFRS. If land and building were stated on the historical cost basis, the carrying amounts as at 31 December 2022 would be as follows:

	Land	Buildings
	₦'000	₦'000
Cost	266,348	78,224
Accumulated depreciation	-	(8,447)
Carrying amount	**266,348**	**69,777**

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For the year ended 31 December 2022

16 Right-of-use assets

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Cost		
Balance at the beginning of the year	31,527	-
Addition during the year	3,860	31,527
Balance at the end of the year	35,387	31,527
Accumulated Amortisation		
Balance at the beginning of the year	6,305	-
Charge for the year	7,337	6,305
Balance at the end of the year	13,642	6,305
Carrying amount		
Balance at the end of the year	21,744	25,221

The Company has rent contracts on properties in Uyo, Calabar and Yenagoa branches used in carrying out business operations. The contracts have a lease term ranging from 2-5 years.

17 Statutory deposit

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Statutory deposit with CBN	700,000	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. During the year, a deposit of ₦200 million was made by the Company to the Central Bank of Nigeria on 21st of June 2022 to increase its statutory deposit from ₦500 million to ₦700 million.

18 Insurance contract liabilities

	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000
Provision for claims reported by policyholders (note 18.1(a))	6,732,055	6,107,518
Provision for IBNR (note 18.1(d))	2,840,118	2,761,423
Outstanding claims provision	9,572,173	8,868,941
Provision for unearned premium (note 18.2)	3,239,554	2,766,315
Total insurance contract liabilities	**12,811,727**	**11,635,256**

18.1 Analysis of claims reserve based on nature

	31 Dec 2022			31 Dec 2021		
	Gross claims	Reinsurance	Net	Gross claims	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Reported claims (see (a) below)	6,732,055	3,339,551	3,392,504	6,107,518	3,006,069	3,101,449
IBNR (see (d) below)	2,840,118	476,104	2,364,014	2,761,423	769,917	1,991,506
	9,572,173	**3,815,655**	**5,756,518**	**8,868,941**	**3,775,986**	**5,092,955**

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

	31 Dec 2022			31 Dec 2021		
	Reported claims	Reinsurance	Net	Reported claims	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
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	624,537	333,482	291,055	3,332,872	1,767,060	1,565,812
Balance at the end of the year	**6,732,055**	**3,339,551**	**3,392,504**	**6,107,518**	**3,006,069**	**3,101,449**

Notes to the Financial Statements

For the year ended 31 December 2022

18.1 Analysis of claims reserve based on nature continued

(b) Analysis of outstanding claims per class of business:

	31 Dec 2022			31 Dec 2021		
	Gross Outstanding claims	Reinsurance recoveries	Net	Gross Outstanding claims	Reinsurance recoveries	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	361,217	382,384	(21,167)	416,124	48,896	367,228
Fire	2,227,427	2,143,986	83,440	2,984,614	2,143,986	840,628
General accident	1,446,603	459,480	987,123	1,008,769	459,480	549,289
Engineering	257,967	73,800	184,167	127,234	73,806	53,428
Marine	795,180	38,081	757,099	196,999	38,081	158,918
Bond	-	-	-	-	-	-
Aviation	110,380	12,500	97,880	75,275	12,500	62,775
Oil & Gas	1,524,049	226,291	1,297,758	1,293,843	226,291	1,067,553
Agric	9,233	3,029	6,204	4,660	3,029	1,631
	6,732,055	**3,339,551**	**3,392,504**	**6,107,518**	**3,006,069**	**3,101,449**

(c) Age analysis of outstanding claims at the end of the year is shown below:

Days outstanding	No. of Claimants	31 Dec 2022 ₦'000	No. of Claimants	31 Dec 2021 ₦'000
0 - 90 days	629	781,908	277	1,706,213
91 - 180 days	503	799,407	414	475,285
181 - 270 days	441	456,781	430	909,261
271 - 365 days	318	642,932	676	609,815
Over 365 days	2,924	4,051,028	3,177	2,406,943
Total	**4,815**	**6,732,055**	**4,974**	**6,107,518**

Below are further breakdown of the outstanding claims and the reasons for their existence:

December 2022

Outstanding claims days (₦'000)

	0-90 days	91-180 Days	181-270 Days	271-365 Days	Over 365 Days	Total
Discharge vouchers signed and returned by policyholders	3,092	1,944	19,871	161,500	40,385	226,792
Discharge vouchers not yet signed and returned by policyholders	4,631	59	864	-	550	6,104
Claims reported but incomplete documentation	753,521	789,678	409,434	480,432	3,814,371	6,247,437
Claims reported but being adjusted	8,564	3,823	22,589	1,000	191,652	227,628
Awaiting adjusters final report	11,677	3,903	4,024	-	-	19,604
Insured instructed has advices reopening	421	-	-	-	1,213	1,634
Third party liability outstanding	-	-	-	-	1,000	1,000
Adjusters fee payable	-	-	-	-	1,856	1,856
Total	**781,908**	**799,407**	**456,781**	**642,932**	**4,051,028**	**6,732,055**

Notes to the Financial Statements
For the year ended 31 December 2022

December 2021

Outstanding claims days (N'000)

	0-90 days	91-180 Days	181-270 Days	271-365 Days	Over 365 Days	Total
Discharge vouchers signed and returned by policyholders	30,904	-	-	-	-	30,904
Claims reported but incomplete documentation	1,671,597	466,333	828,824	605,009	1,917,884	5,489,648
Claims reported but being adjusted	3,712	7,952	5,403	1,750	487,748	506,564
Claims repudiated	-	-	-	1,000	-	1,000
Awaiting adjusters final report	-	1,000	74,074	2,056	1,181	78,311
Litigation awarded	-	-	-	-	45	45
Insured instructed has advices reopening	-	-	500	-	-	500
Adjusters fee payable	-	-	460	-	86	546
Total	**1,706,213**	**475,285**	**909,261**	**609,815**	**2,406,944**	**6,107,518**

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

	31 Dec 2022			31 Dec 2021		
	IBNR claims	Reinsurance	Net	IBNR claims	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	2,761,423	769,917	1,991,506	894,791	144,014	750,777
Movement during the year	78,695	(293,813)	372,508	1,866,632	625,903	1,240,729
At the end of the year	**2,840,118**	**476,104**	**2,364,014**	**2,761,423**	**769,917**	**1,991,506**

Analysis of IBNR claims per class of business:

	31 Dec 2022			31 Dec 2021		
	IBNR claims	Reinsurance recoveries	Net	IBNR claims	Reinsurance recoveries	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	275,527	7,173	268,354	317,409	12,379	305,030
Fire	1,030,538	153,081	877,457	1,380,857	187,404	1,193,454
General accident	220,584	21,530	199,053	153,821	12,557	141,264
Engineering	59,501	2,291	57,210	31,829	(10,174)	42,003
Marine	323,220	15,938	307,283	80,075	12,576	67,499
Bond	2,668	-	2,668	2,411	-	2,411
Aviation	78,230	30,184	48,046	53,350	8,084	45,266
Agric	2,923	934	1,989	1,475	448	1,028
Oil & Gas	846,928	244,974	601,954	740,196	546,644	193,552
	2,840,118	**476,104**	**2,364,014**	**2,761,423**	**769,917**	**1,991,506**

The Liability Adequacy Test (LAT) as at 31 December 2022 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.

Notes to the Financial Statements

For the year ended 31 December 2022

18.2 Breakdown of unearned premium per class of business:

	31-Dec-22			31-Dec-21		
	Unearned Premium	Prepaid Reinsurance	Net	Unearned Premium	Prepaid Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	977,286	59,649	917,637	718,770	-	718,770
Fire	785,111	519,436	265,675	707,350	321,768	385,582
General accident	330,158	139,852	190,306	235,314	107,551	127,763
Engineering	223,267	160,295	62,972	146,925	55,312	91,613
Marine	183,153	121,354	61,799	191,713	100,533	91,180
Bond	2,409	1,265	1,144	1,154	611	543
Aviation	48,822	31,197	17,625	71,711	32,345	39,366
Oil & Gas	629,158	262,859	366,299	676,686	172,931	503,754
Agric	60,188	51,265	8,923	16,691	10,049	6,643
	3,239,553	**1,347,171**	**1,892,382**	**2,766,315**	**801,100**	**1,965,216**

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

	31-Dec-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	2,766,315	801,100	1,965,216	2,059,224	852,723	1,206,502
Premium written in the year	12,979,789	5,974,934	7,004,855	11,161,499	4,974,242	6,187,257
Premium earned during the year	(12,506,551)	(5,428,863)	(7,077,688)	(10,454,409)	(5,025,865)	(5,428,543)
Balance at the end of the year	**3,239,553**	**1,347,171**	**1,892,382**	**2,766,315**	**801,100**	**1,965,216**

	31-Dec-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Unexpired risk reserve	2,766,315	801,100	1,965,215	2,059,224	852,723	1,206,502
Additional unexpired risk reserve	473,238	546,071	(72,833)	707,091	(51,624)	758,714
Balance at the end of the year	**3,239,553**	**1,347,171**	**1,892,382**	**2,766,315**	**801,100**	**1,965,216**

19 Hypothecation of Assets

	31-Dec-22			31-Dec-21		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Cash and cash equivalents	4,136,501	100,000	4,236,501	3,376,697	100,000	3,476,697
FGN Securities	5,183,952	802,778	5,986,730	2,368,285	150,000	2,518,285
Investment Notes	1,268,266	-	1,268,266	1,321,909	-	1,321,909
Unquoted Equities	-	17,589,344	17,589,344	-	22,742,910	22,742,910
Loans & Receivables	-	249,121	249,121	-	141,658	141,658
Mutual fund	-	1,375,560	1,375,560	-	859,589	859,589
Trade receivables	-	199,857	199,857	-	81,468.00	81,468
Reinsurance assets	5,281,166	-	5,281,166	4,639,643	-	4,639,643
Deferred acquisition cost	-	543,059	543,059	-	432,828	432,828
Other receivables and prepayments	-	779,997	779,997	-	333,655	333,655
Investment properties	-	160,000	160,000	-	157,500	157,500
Intangible assets	-	20,844	20,844	-	36,866	36,866
Property and equipment	-	1,584,679	1,584,679	-	1,467,178	1,467,178
Right-of-use assets	-	21,744	21,744	-	25,221	25,221
Statutory deposit	-	700,000	700,000	-	500,000	500,000
Total assets	**15,869,885**	**24,126,983**	**39,996,868**	**11,706,533**	**27,028,873**	**38,735,407**

Notes to the Financial Statements
For the year ended 31 December 2022

19 Hypothecation of Liabilities-continued

	31-Dec-22			31-Dec-21		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
Liabilities	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities	12,811,727	-	12,811,727	11,635,256	-	11,635,256
Trade payables	-	1,140,673	1,140,673	-	765,141	765,141
Other payables	-	1,001,996	1,001,996	-	1,053,785	1,053,785
Defined benefit obligations	-	84,321	84,321	-	89,659	89,660
Income tax liabilities	-	157,845	157,845	-	60,257	60,257
Total liabilities	**12,811,727**	**2,384,835**	**15,196,562**	**11,635,256**	**1,968,842**	**13,604,099**
GAP	**3,058,158**	**21,742,148**	**24,800,306**	**71,277**	**25,060,030**	**25,131,308**

(I) Asset allocation was done in accordance with NAICOM guidelines to meet the minimum requirement of Section 26(1) (c) of the Insurance Act 2003 for hypothecation of investments representing the insurance funds.

20 Trade payables

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Insurance payables (note 20.1)	1,140,673	765,141
	1,140,673	**765,141**

20.1 Insurance payables

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Commission payables to brokers	264,463	139,177
Premium received in advance	21,707	60,454
Due to re-insurers (see 'a' below)	714,068	481,525
Other payables to agents and brokers (see 'b' below)	140,435	83,985
	1,140,673	**765,141**

Movement in insurance payables

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance at the beginning of the year	765,141	704,169
Addition in the year	375,532	60,972
Balance at the end of the year	**1,140,673**	**765,141**

(a) This is a payable to reinsurance companies as at 31 December 2022 (2021:₦482m).
(b) This represents business acquisition costs payable to agents and brokers as at 31 December 2022 (2021: ₦84.0million)

21 Other payables

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Due to Auditors	4,613	4,838
NAICOM levy	129,797	111,615
Expenses payable (see note 21.1)	148,948	139,567
Deferred commission revenue (see (a) below)	259,747	159,844
Other payables (see note 21.2a)	115,891	291,921
	658,996	707,785
Provision for litigation (see note 21.2b)	343,000	346,000
	1,001,996	**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 Dec 2022	31 Dec 2021
	₦'000	₦'000
Deferred commission income as at 1 January	159,844	175,324
Fees and commission received during the year	1,161,261	818,839
Fees and commission earned during the year (see note 34.2)	(1,061,358)	(834,229)
Deferred commission income at the end of the year	259,747	159,844

Notes to the Financial Statements
For the year ended 31 December 2022

21.1 Expenses payable

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Expenses accrued (see (i) below)	148,948	139,567
	148,948	**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 December 2022.

21.2 Other liabilities
(a) Other payables

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Travel insurance	-	975
National Housing Fund (NHF)	1,025	1,025
Pension for Life agents/Company	603	604
Deposit without details (see (c) below)	23,800	278,591
Withholding tax payables	1,130	955
Sundry payables (see (d) below)	89,333	9,771
	115,891	**291,921**

(b) Provision for litigation (see (i) below)

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance at the beginning of the year	346,000	346,000
Payment during the year	(3,000)	-
	343,000	**346,000**

(I) This represents estimated outflow from a judgment delivered against the Company in 2021 financial year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adepate Demilade with FRC number FRC/2021/002/00000022694. The total estimated liability as at December 2022 is ₦343million (2021: ₦346million). 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.
(d) These are other sundry payables which include legal fees of ₦12.4million.

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	189,430	161,560	(99,770)	(98,579)	89,660	62,981
Current service cost	31,564	34,625	-	-	31,564	34,625
Past service cost	-	-	-	-	-	-
Interest cost (income)	29,213	14,356	(15,516)	(14,329)	13,697	27
Contribution by employer	-	-	-	-	-	-
Benefits paid by the employer	(29,211)	(14,604)	29,211	14,604	-	-
Actuarial (gain)/loss on liability arising from:					-	
- Assumptions	(10,281)	(14,116)	(16,356)	(1,466)	(26,637)	(15,582)
- Experience	(23,962)	7,609	-	-	(23,962)	7,609
At the end of the year	**186,753**	**189,430**	**(102,432)**	**(99,770)**	**84,321**	**89,660**

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. The scheme is a voluntary and not required by law.

Notes to the Financial Statements

For the year ended 31 December 2022

22 Defined benefit obligations- continued

The Company's Staff Gratuity Scheme contains the following key provisions:

i.

Length of Service	Benefit Payable	Amount N'000
Less than 5 Years	Nil	Nil
5 Years	25% of Guaranteed Annual total emolument	
6 Years	30% of Guaranteed Annual total emolument	
7 Years	35% of Guaranteed Annual total emolument	
8 Years	40% of Guaranteed Annual total emolument	
9 Years	50% of Guaranteed Annual total emolument	
10 Years & above	75% of Guaranteed Annual total emolument	

ii. Normal Retirement Age (NRA): 60 (males and females)

(a) 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.

The Principal Financial Assumptions adopted in the valuation are as seen in the table below.

Parameters	31 Dec 2022	31 Dec 2021
Average Discount rate (Per annum)	13.30%	12.70%
Rate of salary increase (Per annum)	12.98%	13.25%
Rate of Inflation (Per annum)	11.98%	12.47%

The weighted average duration of the liability under Linkage Gratuity Scheme is 9.50 years(2021: 9.83 years) and the unweighted average future working years of the members was 17.70 years.

Federal Government of Nigeria bonds market yield at the valuation date was adopted as the duration of the scheme.

(b) Sensitivity of the Present Value of the DBO to Principal Assumptions

The results of the valuation are highly sensitive to the underlying assumptions. The variability of the liability cost is expected to be higher for this small scheme size as seen in the table below.

	Base Result	+1%	-1%
	₦'000	₦'000	₦'000
Discount Rate	186,753	175,700	199,167
Salary Increase Rate	186,753	199,087	175,578
Mortality	186,753	186,941	186,579

Actual experience resulting into a change in any of the key assumptions might change the value of the liability disclosed as shown in the “Sensitivity Table” above. For example, in a standard defined benefit scheme pension arrangement, adding or deducting 1% from the discount rate assumption could result in a 14-16% change in the value of liability for the actives with a term of, say, 20 years to retirement. The weighted average term to retirement for the Linkage Assurance Gratuity Scheme is around 9.5 years.

The Sensitivity Table above illustrates the effect of:

The discount rate assumption on the defined benefit obligation if there was an increase or decrease of 1% to discount rate. This could result in decrease or increase of about 6% to 7% respectively.

The salary increase assumption on the defined benefit obligation, if there was an increase or decrease of 1% to the rate of salary increase. In this case, we might expect a change of about 6-7% in the defined benefit obligation. Sensitivity of the defined gratuity benefit obligation considers the mortality assumption by allowing for impact of 1year age rating up or down.

Higher than expected mortality level while keeping the past service at their present level might be expected to bring forward the amount that would eventually be paid on expensive future gratuity benefits, producing a decrease to the base defined gratuity benefit obligation (-0.10%). Whereas a reduced level of mortality or an improvement would mean more survivors to qualify for higher future gratuity benefit payments (+0.10%). If only death gratuity had been considered in isolation, we would expect a higher cost in death gratuity payments with higher mortality vice versa and this might change the conclusion here in on the effect of change in mortality.

Notes to the Financial Statements
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23 Income tax liabilities

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
At the beginning of the year	60,257	82,565
Charge for the year (note 23.1)	129,291	31,941
Back duty assessment	-	79,783
Payment during the year	(31,703)	(134,032)
At the end of the year	**157,845**	**60,257**

23.1 Income tax expense

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Income tax expense	76,196	31,941
Tertiary education tax	25,548	-
NITDA Levy	27,411	-
Police Trust Fund levy	137	-
	129,291	31,941
Back duty assessment	-	79,783
Income tax expense	**129,291**	**111,724**

23.2 Reconciliation of tax charge

The income tax expense for the year can be reconciled to the accounting profit as follows;

	31 Dec 2022		31 Dec 2021	
	Rate (%)	₦'000	Rate (%)	₦'000
Profit before tax		2,696,182		(3,878,914)
Expected income tax expense at statutory rate	30	808,855	30	(1,163,674)
Information technology levy	1	27,411	-	-
Tertiary education tax	1	25,548	0	-
Disallowable expenses	12	310,249	(9)	339,202
Tax-exempt income	(42)	(1,119,104)	97	(3,766,021)
Police Trust Fund levy	0	137	-	-
Minimum tax	3	76,196	(119)	4,622,434
Back duty assessment	0	-	(2)	79,783
	5	**129,291**	**(3)**	**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. The Company did not have net deferred tax assets/(liabilities) that were recognized during the year.

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	31 Dec 2022		31 Dec 2021	
	Gross Amount	Tax effect	Gross Amount	Tax effect
	₦'000	N'000	₦'000	₦'000
Tax losses	3,214,399	964,320	2,945,064	883,519
Temporary difference on asset	418,479	125,544	49,094	14,728
Provision for gratuity	41,490	12,447	37,490	11,247
Allowance for impairment (Cash & cash equivalent)	73,266	21,980	-	-
Interest cost/income (Gratuity) - FV	(15,516)	(4,655)	-	-
Fair value loss on financial assets	337,474	101,242	-	-
	4,069,592	**1,220,878**	**3,031,648**	**909,494**

Notes to the Financial Statements

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		31 Dec 2022	31 Dec 2021
25	**Minimum issued share capital**	**₦'000**	**N'000**
	14,000,000,000 ordinary shares of 50k each	**7,000,000**	**7,000,000**

		31 Dec 2022	31 Dec 2021
25.1	**Issued and fully paid**	**₦'000**	**N'000**
	Ordinary shares of 50k each 14,000,000,000 units (2021: 14,000,000,000 units)		
	At the beginning of the year	7,000,000	5,000,000
	Addition- Bonus issue: Retained earnings	-	2,000,000
	At the end of the year	**7,000,000**	**7,000,000**

		31 Dec 2022	31 Dec 2021
26	**Share premium**	**₦'000**	**N'000**
	At the beginning of the year	560,294	729,044
	Utilized for increase in authorized share capital (see(a) below)	-	**(168,750)**
	At the end of the year	**560,294**	**560,294**

(a) In prior year (2021) the amount of ₦168.7million was released from other prepaid expenses (note 12a) for utilization. The amount was paid in 2020 (₦112.5million paid to Corporate Affairs Commission and ₦56.25million paid to Federal Inland Revenue Services) which represents payments in respect to increase in authorized share capital.

		31 Dec 2022	31 Dec 2021
27	**Contingency reserve**	**₦'000**	**N'000**
	At the beginning of the year	2,882,618	2,547,773
	Transfer from retained earnings (see Note 28)	513,379	334,845
	At the end of the year	**3,395,997**	**2,882,618**

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. For the year ended 2022, the transfer to contingency reserves was determined based on 20% of net profit for the year (2021: 3% of Gross premium).

		31 Dec 2022	31 Dec 2021
28	**Accumulated loss**	**₦'000**	**₦'000**
	At the beginning of the year	(3,517,298)	3,308,185
	Profit for the year	2,566,891	(3,990,638)
	Transfer to contingency reserve (see Note 27)	(513,379)	(334,845)
	Bonus share issue*	-	(2,000,000)
	Cash dividend	-	(500,000)
	At the end of the year	**(1,463,786)**	**(3,517,298)**

* In prior year (2021) bonus issue of 2,000,000,000 ordinary shares of 50kobo each was issued from retained earnings and capitalized to ordinary share capital.

		31 Dec 2022	31 Dec 2021
29	**Assets revaluation reserve**	**₦'000**	**₦'000**
	At the beginning of the year	828,773	828,773
	Balance as at 31 December	**828,773**	**828,773**

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.

Notes to the Financial Statements
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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

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance as at January 1	17,346,660	13,948,807
Fair value gain/ (loss) during the year (See Note 8.2)*	(2,923,271)	3,397,853
Balance as at December 31	**14,423,389**	**17,346,660**

*The decrease in the fair value reserve by ₦2.9m was as a result of the valuation of the unquoted equity in Stanbic IBTC Pension Management Limited (SIPML) equity as at 31 December 2022.

30.2 Re-measurement reserve

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance as at January 1	5,040	13,244
Defined benefits actuarial gain/(loss)	50,599	(8,204)
Balance as at December 31	**55,639**	**5,040**

31 Gross premium written

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Direct premium (note 31.1)	12,717,858	10,898,308
Inward premium (note 31.1)	261,931	263,191
	12,979,789	**11,161,499**

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

31 Dec 2022	Direct premium	Inward premium	Total
	₦'000	₦'000	₦'000
Fire	2,539,414	44,906	2,584,320
Accident	1,354,387	23,147	1,377,534
Motor	2,602,054	87,454	2,689,508
Marine	850,835	85,466	936,301
Aviation	515,050	3,753	518,803
Bond	23,880	-	23,880
Engineering	609,107	15,749	624,856
Oil & Gas	4,112,194	-	4,112,194
Agric	110,937	1,456	112,393
	12,717,858	**261,931**	**12,979,789**

31 Dec 2021	Direct premium	Inward premium	Total
	₦'000	₦'000	₦'000
Fire	1,946,418	62,978	2,009,396
Accident	992,149	29,595	1,021,744
Motor	2,104,473	72,869	2,177,342
Marine	835,349	75,335	910,684
Aviation	606,906	7,052	613,958
Bond	10,688	-	10,688
Engineering	438,066	10,759	448,825
Oil & Gas	3,919,382	4,279	3,923,661
Agric	44,877	324	45,201
	10,898,308	**263,191**	**11,161,499**

Notes to the Financial Statements
For the year ended 31 December 2022

32 Gross premium income

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Gross premium written (note 31)	12,979,789	11,161,499
Changes in unearned premium (See (a) below)	(473,238)	(707,091)
	12,506,551	**10,454,408**

(a) Changes in unearned premium

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
General Accident	94,844	26,441
Engineering	76,342	(22,470)
Bond	1,255	-
Fire	77,761	360,176
Marine	(8,560)	(19,527)
Aviation	(22,889)	(6,171)
Motor	258,516	164,814
Oil & Gas	(47,528)	187,137
Agric	43,497	16,691
	473,238	**707,091**

33 Reinsurance expenses	**5,428,863**	**5,025,865**

33.1 Premium ceded to reinsurance:

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance premium (Treaty)	5,100,153	4,077,989
Facultative outwards	874,782	896,252
Total reinsurance cost (see (a) below)	**5,974,935**	**4,974,241**
Increase/(Decrease) in prepaid reinsurance	(546,072)	51,624
	5,428,863	**5,025,865**
(a) Local and foreign reinsurance premium		
Reinsurance premium - local	3,622,973	1,592,361
Reinsurance premium - foreign	2,351,962	3,381,880
	5,974,935	**4,974,241**

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

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Fire	1,710,319	1,095,063
Accident	450,496	559,856
Motor	295,761	196
Marine	414,257	404,010
Aviation	340,439	404,735
Bond	10,657	5,290
Engineering	244,383	262,257
Oil & Gas	1,914,865	2,279,282
Agric	47,686	15,176
	5,428,863	**5,025,865**

Notes to the Financial Statements

For the year ended 31 December 2022

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
34 Fees and commission income	**1,061,358**	**834,229**

34.1 Breakdown of fees and commission income per business class is as follows:

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Fire	437,188	334,168
Accident	179,300	170,094
Motor	58,694	1,450
Marine	189,458	134,846
Aviation	1,306	901
Bond	3,611	1,750
Engineering	70,292	71,297
Agric	13,223	3,793
Oil & Gas	108,286	115,930
	1,061,358	**834,229**

34.2 Breakdown of fees and commission income is as follows:

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Lead underwriting commission	19,112	7,813
Reinsurance commission	1,142,149	739,614
Profit Comm. & Comm. Adjustment	-	71,410
Changes in deferred commission revenue	(99,903)	15,392
	1,061,358	**834,229**

35 Net claims expenses

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Gross claims paid	3,086,234	3,989,302
Movement in IBNR reserve (see note 17.1(c))	78,695	1,866,632
Movement in reserve for outstanding claims	624,537	3,332,872
Gross claims incurred	**3,789,466**	**9,188,806**
Salvage recovery	(121,099)	(63,146)
Claims recovered and recoverable from reinsurers (see (a) below)	(1,194,743)	(4,092,409)
	2,473,624	**5,033,251**

a) Analysis of claims recovered and recoverable from reinsurers

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance claims recoveries (see note 44c)	1,155,073	1,699,447
Change in re-insurance recoverable (see note 10b)	333,482	1,767,060
Change in recoverable in IBNR (see note 10c)	(293,812)	625,902
	1,194,743	**4,092,409**

36 Underwriting expenses

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Acquisition expenses (note 36.1)	4,133,545	3,054,248
Maintenance expenses (note 36.2)	1,025,715	759,461
	5,159,260	**3,813,709**

36.1 Analysis of acquisition expenses

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Commission expense	2,200,289	1,932,506
Business acquisition cost	2,043,487	1,225,757
Movement in deferred acquisition cost (see note 11.2)	(110,231)	(104,015)
	4,133,545	**3,054,248**

Notes to the Financial Statements
For the year ended 31 December 2022

36.2 Analysis of maintenance expenses

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Staff costs (see note 41)	441,816	357,802
Directors' emoluments (see note 41)	45,127	44,076
Retirement benefit cost (see note 41)	61,038	43,704
Other operating expenses (note 41)	477,735	313,879
	1,025,715	**759,461**

"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."

Other operating expenses are expenses incurred relating to the Company's core business excluding staff costs, directors' emoluments and retirement benefit costs.

37 Investment income

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Dividend income (see note 37a)	3,315,152	1,212,565
Interest income (See note 37b)	1,391,271	1,080,792
Investment income per statement of profit or loss and OCI	**4,706,423**	**2,293,357**
Fair value change on investment properties (see note 13b)	2,500	7,500
Investment income for hypothecation	**4,708,923**	**2,300,857**

37a Breakdown of Dividend Income

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Stanbic IBTC Holdings plc	2,179	2,528
Zenith Bank Plc	16,630	76,447
Nigeria Breweries Plc	428	331
Dangote Sugar Plc	7,580	11,369
United Bank for Africa Plc	27,050	20,949
*Stanbic IBTC Pension Managers	3,167,258	985,765
Guaranty Trust Bank Plc	50,525	59,802
Berger Paints Plc	8	79
Conoil Plc	45	418
NASCON Plc	505	454
Access Bank Plc	3,019	1,046
WAPCO (Lafarge Africa Plc)	7,015	15,719
Dangote Cement Plc	5,009	6,535
May and Baker Plc	6	6
Communication Plc	13,904	13,448
Nestle Nig. Plc	1,762	1,073
Friesland Campina WAMCO Plc	127	236
Okomu Oil Palm Plc	1,260	1,103
Flour Mill Nig. Plc	880	9
Guinness Nig. Plc	-	41
Waica Reinsurance Corp. Plc	6,647	15,071
Presco Plc	513	135
Transcorp Plc	72	-
CAP Plc	51	-
Total Energy Marketing Plc	1,141	-
BUA Foods Plc	452	-
Energy and Allied Insurance Pool	1,086	-
	3,315,152	**1,212,565**

*The dividend earned on the equity investment held in Stanbic IBTC Pension Managers during the year accounted for a significant portion of the total dividend earned in the year.

Notes to the Financial Statements

For the year ended 31 December 2022

37b Breakdown of Interest Income	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Interests from Placement with Banks and Financial Institutions	262,932	158,701
Interest income from Treasury Bills	42,816	2,071
Interest income from FGN Bonds	284,431	567,241
Interest income from State Bonds	31,301	51,092
Interest income from Corporate bonds	310,293	49,009
Promissory note	64,706	41,365
Interest income from Corporate investment notes	189,142	-
Coupon from Delux Residence Ltd	-	5,958
Coupon from Sokoto structured debt note	-	35,164
Interest from Apel asset	-	26,512
Interest from platform capital	-	58,262
Commercial paper	142,044	28,465
Commission from FGN Bond	-	735
Coupon from Chapel Hill (NREIT)	-	3,010
Coupon from Chapel Hill (NIDF)	-	24,502
Interest from Suntrust Oil	-	20,534
Interest from Cordros Ltd	-	1,397
Interest from Edumed SPV Ltd	-	3,137
Interest from Credit Investment Ltd	-	3,636
Dividend from Mutual Funds	63,606	-
	1,391,271	**1,080,792**

37.1 Hypothecation of investment income	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Investment income that relate to policyholders (note 37.2)	262,932	158,701
Investment income that relate to shareholders (note 37.3)	4,445,991	2,142,156
	4,708,923	**2,300,857**

37.2 Investment income that relate to policy holders	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Income from money market	262,932	158,701
	262,932	**158,701**

37.3 Investment income that relate to shareholders	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Dividend income	3,315,152	1,212,565
Income from money market	42,816	2,071
Income from bonds	626,025	667,343
Other investment income (See(i) below)	459,498	252,677
Revaluation gain on investment Property	2,500	7,500
	4,445,991	**2,142,156**

(i) This represents income from investments in commercial papers and promissory notes.

38 Net impairment loss on financial assets

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Decrease in impairment provisions on loans and receivables	23,859	35,788
Decrease in impairment provisions cash and cash equivalents	11,843	-
Decrease in impairment provisions on other receivables	3,609	-
	39,311	**35,788**

39 Net fair value gains/(loss) on financial assets at fair value through profit or loss

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Fair value change on FVTPL securities ((see (a) below)	**(182,281)**	**(1,268,490)**

Notes to the Financial Statements
For the year ended 31 December 2022

(a)	Breakdown of Fair value changes on FVTPL securities	31 Dec 2022	31 Dec 2021
		₦'000	₦'000
	FV Gain/Loss on FGN Bonds	(82,623)	(1,017,088)
	FV Gain/Loss on State Bonds	(7,687)	(119,600)
	FV Gain/Loss on Corporate Bonds	(49,934)	(68,863)
	FV Gain/Loss on Equity Investment	(186,906)	(52,286)
	Fair value gain on Fund managers	(22,160)	22,045
	Gain on disposal of 1,429,884 Units of MTN Plc Shares	54,322	44,278
	Fair value loss on 7.696% Eurobond Feb 2038	8,524	(3,599)
	Disposal of Zenith Bank Plc Shares	17,427	(69,453)
	Gain on disposal of GTCO Shares	26,404	(3,923)
	Gain on disposal of WAPCO Shares	33,671	-
	Gain on disposal of175,000units of Okomu Oil Shares	15,960	-
	Gain on disposal of 20,000,000 units of UBA shares	7,409	-
	Other (See(i) below)	3,312	-
		(182,281)	**(1,268,490)**

(i) This includes fair value losses on investments in bonds and equity securities.

40	Other operating income (net)	31 Dec 2022	31 Dec 2021
		₦'000	₦'000
	Sundry income (see (b) below)	5,013	1,132
	Gain on sale of property & equipment	28,954	42
	Exchange gains (see (a) below)	300,281	296,688
	Rental income	6,800	6,200
		341,048	**304,062**

(a) This relates to exhange gains on foreign-denominated transactions which were consumated during the year.

(b) This includes interest on current accounts and interest on staff loans.

41 Maintenance and management expenses

Maintenance and management expenses comprise:

	31 Dec 2022		31 Dec 2021	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
	₦'000	₦'000	₦'000	₦'000
Staff cost	441,816	662,724	357,802	536,704
Director emoluments	45,127	67,690	44,076	66,114
Pension contribution	13,557	20,335	13,401	20,101
Retirement benefits	47,481	71,221	16,453	24,680
Current service cost	12,626	18,938	13,850	20,775
Outsourcing cost	85,455	128,182	61,548	92,322
Advertising & publicity	8,114	12,170	6,449	9,674
Marketing expenses	13,303	19,955	12,288	18,433
Medical	18,979	28,469	19,173	28,759
Staff training & development	54,271	81,407	30,216	45,323
Corporate Expense	284,987	-	184,204	-
AGM expenses	-	12,000	-	18,000
Bank charges	-	45,454	-	47,732
Computer consumables	-	61	-	-
Depreciation on PPE	-	215,459	-	146,790
Amortisation on Intangible assets		7,427	-	44,892
Amortisation on ROU		7,337	-	6,305
Diesel and fuel	-	83,534	-	65,100
Entertainment	-	1,889	-	720
Industrial training fund	-	22,007	-	13,900
Insurance expenses	-	24,563	-	21,338

Notes to the Financial Statements
For the year ended 31 December 2022

41 Maintenance and management expenses- Continued

Maintenance and management expenses comprise:

	31 Dec 2022		31 Dec 2021	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
	₦'000	₦'000	₦'000	₦'000
Insurance supervision fee	-	161,085	-	125,366
Legal and secretarial expenses	-	15,010	-	261,167
Retail agents expenses	-	38,119	-	31,826
Lighting & heating	-	11,214	-	14,485
Maintenance expense	-	165,767	-	154,662
Newspapers & periodicals	-	1,654	-	2,123
Postage and telephone	-	26,452	-	25,825
Consultancy expenses	-	156,282	-	226,629
Rent & rate	-	48,139	-	43,332
Stationaries	-	21,672	-	19,003
Subscriptions, contributions & donations	-	24,968	-	20,851
Transport and business travels	-	13,869	-	15,388
Withholding tax & VAT	-	136,185	-	114,609
Audit fee	-	18,263	-	19,750
Rebranding expenses (see (a) below)	-	239,374	-	278,277
Capital Gains Tax (CGT)	-	10,594		
Asset derecognition (see note 14)	-	1,194	-	-
Others (see (b) below)	-	96,318	-	85,987
Total	**1,025,715**	**2,716,981**	**759,460**	**2,666,942**

(a) Rebranding expenses relate to the costs incurred by the Company on rebranding activities involving change of logo, campaigns, signages, concepts & designs, brand manuals etc.

(b) Other expenses include internet connectivity and Information technology (N35million), Accommodation (N12million), filing fees (N6million), and other general expenses.

42 Net fair value gain on available-for-sale financial assets

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Fair value (loss)/gain in available-for-sale investments - unquoted equities	(2,952,000)	3,397,853
Fair value gain on Equity Mutual Funds	28,729	-
	(2,923,271)	**3,397,853**

43 Basic and diluted earnings/(losses) per share

Basic (losses)/earnings per share is calculated by dividing the net (loss)/profit 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 (losses)/earnings per share computations:

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Profit/(loss) attributable to ordinary shareholders (N'000)	**2,566,891**	**(3,990,638)**
Weighted average number of ordinary shares	**14,000,000**	**14,000,000**
Basic and diluted earnings per share (Kobo)	**18.3**	**(28.5)**

Notes to the Financial Statements
For the year ended 31 December 2022

44 Cashflow reconciliation

a) Other operating cash payments

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Management expenses (less staff expenses)	(1,738,359)	(1,877,487)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(473,238)	(707,091)
Depreciation on PPE	215,459	146,790
Amortisation on Intangible assets	7,427	44,892
Amortisation on ROU	7,337	6,305
Impairment gain	39,311	35,788
Exchange (gain)/loss	(300,281)	28,273
Sundry income	(5,013)	(1,132)
Asset derecognition	1,194	-
Current service cost	18,938	-
Net interest cost	13,697	-
Profit on sale of PPE	(28,954)	(42)
Operating cash flows before movements in working capital	**(2,242,482)**	**(2,323,703)**
Increase in trade payables	414,279	60,972
(Decrease)/increase in provision for litigation	(3,000)	243,000
Changes in other sundry payable/receivable	82,850	289,344
(Increase)/decrease in other receivables and prepayment	(471,563)	167,476
(Decrease)/Increase in other payables	206,977	112,199
	(2,012,939)	**(1,450,713)**

b) Premium received from policy holders

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Trade receivable at 1 January	81,468	63,974
Gross premium written during the year	12,979,789	11,161,499
Trade receivable at end of the year	(199,857)	(81,468)
Premium received in advance	(60,454)	(2,936)
	12,800,946	**11,141,069**

c) Recovery and recoverable from reinsurers

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance claims recoveries (note 35(a))	1,155,073	1,699,447
Salvage recovery (note 35)	121,099	63,146
	1,276,172	**1,762,593**

d) Reinsurance premium paid

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance premium cost (note 33.1)	5,100,153	4,077,989
Facultative outwards (note 33.1)	874,782	896,252
Due to reinsurers as at end of the year (note 20.1)	(714,068)	(481,525)
Movement in treaty premium surplus	481,525	504,926
	5,742,392	**4,997,642**

e) Commission paid

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Commission payable to brokers at 1 January	139,177	96,037
Commission cost (Note 36.1)	2,200,289	1,932,506
Business acquisition cost (Note 36.1)	2,043,487	1,225,757
Commission payable to brokers at 31 December	(264,463)	(139,177)
Other payables to agents and brokers	(56,450)	-
	4,062,040	**3,115,123**

Notes to the Financial Statements
For the year ended 31 December 2022

f) Commission received

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Deferred commission revenue at 1 January	(159,844)	(175,234)
Deferred commission revenue at 31 December	259,747	159,844
Movement	99,903	(15,390)
Commission income earned during the year	1,042,246	739,614
Profit Comm. & Comm. Adjustment	-	71,410
Lead underwriting commission	19,112	7,813
Commission income received during the year	**1,161,261**	**803,447**

g) Interest received

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Interest income earned during the year (See note 37b)	1,391,271	1,080,792
Interest received during the year	**1,391,271**	**1,080,792**

h) Movement in financial assets

31 Dec 2022	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
	₦'000	₦'000	₦'000	₦'000	₦'000
Addition	1,713,854	1,140,020	173,158	2,848,077	5,875,109
Disposals/redemption	(3,733,139)	-	-	(86,053)	(3,819,192)
Loan repayment	-	-	(89,554)	-	(89,554)
Impairment reversal	-	-	23,859	-	23,859
Fair value (loss)/gain	(182,281)	(2,923,271)	-	-	(3,105,552)
	(2,201,566)	**(1,783,251)**	**107,463**	**2,762,024**	**(1,115,330)**

Movement in financial assets

31 Dec 2021	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
	₦'000	₦'000	₦'000	₦'000	₦'000
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 (loss)/gain	(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

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Addition for the year per movement schedule	334,346	298,301
Cash flow on addition to property and equipment	**334,346**	**298,301**

j) Sale of property and equipment

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Costs of assets disposed	86,947	162,325
Accumulated depreciation on assets disposed	(85,560)	(161,276)
Proceeds on sale of disposed asset	(30,341)	(1,091)
Profit on disposal	**(28,954)**	**(42)**

k) Finance lease obligation

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Balance at the beginning of the year	-	219
Payments made during the year	-	(219)
Balance at the end of the year	-	-

Notes to the Financial Statements
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l) Cash payment to and on behalf of employees (excluding maintenance expenses)	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Staff cost	662,724	536,704
Director emolument	67,690	66,114
Pension contribution	20,335	20,101
Retirement benefits	71,221	45,455
Contract staff cost	128,182	92,322
Medical	28,469	28,759
	978,622	789,455

45 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:

45.1 Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of Linkage Assurance Plc. It comprises both executive and non-executive directors. The remuneration of directors during the year was as follows:

a. Directors

Remuneration paid to the company's directors (excluding pension contribution)

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Short-term employee benefits:		
Fees and allowances	167,911	166,183
Long-term employee benefits:		
Post employment pension benefits	65,480	38,977
	233,391	**205,160**

b. Amount paid to the chairman	**20,463**	**14,543**
c. Amount paid to the highest paid director	**37,618**	**38,123**

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Number 2022	Number 2021
Below =N=1,000,000	3	3
=N=1,000,001 - =N=4,000,000	3	1
=N=4,000,001 - =N=7,000,000	3	1
=N=7,000,001 and above	6	9
	15	14

d. Employees

The average number of persons employed by the Linkage Assurance during the period was as follows:

	Number 2022	Number 2021
Executive directors	2	2
Management (Managers & aboe)	35	32
Non-management	144	144
	181	**178**

e. Compensation for the above staff:

The average number of persons employed by the Linkage Assurance during the period was as follows:

	31 Dec 2022	31 Dec 2021
	₦'000	₦'000
Executive directors	48,541	52,579
Other staff (excluding executive directors)	688,852	716,194
	737,394	**768,773**

Notes to the Financial Statements
For the year ended 31 December 2022

f. The number of employees of Linkage Assurance, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

Emolument range	Number 31 Dec 2022	Number 31 Dec 2021
₦500,000 - ₦1,000,000	14	-
₦1,000,001 - ₦1,500,000	9	3
₦1,500,001 - ₦2,000,000	9	4
₦2,000,001 - ₦2,500,000	44	54
₦2,500,001 - ₦3,000,000	17	25
₦3,000,001 - Above	86	90
	179	**176**

45.2 Sale of insurance contracts
During the year, the Company had contracts with the following Directors (and close relations).

	Total premium recognised	
Name	**31 Dec 2022**	**31 Dec 2021**
	₦'000	**₦'000**
Chief Joshua Bernard Fumudoh	1,705	483
Mr. Olakunle Bomo Agbebi	374	404
Mr. Daniel Braie	394	-
	2,473	**887**

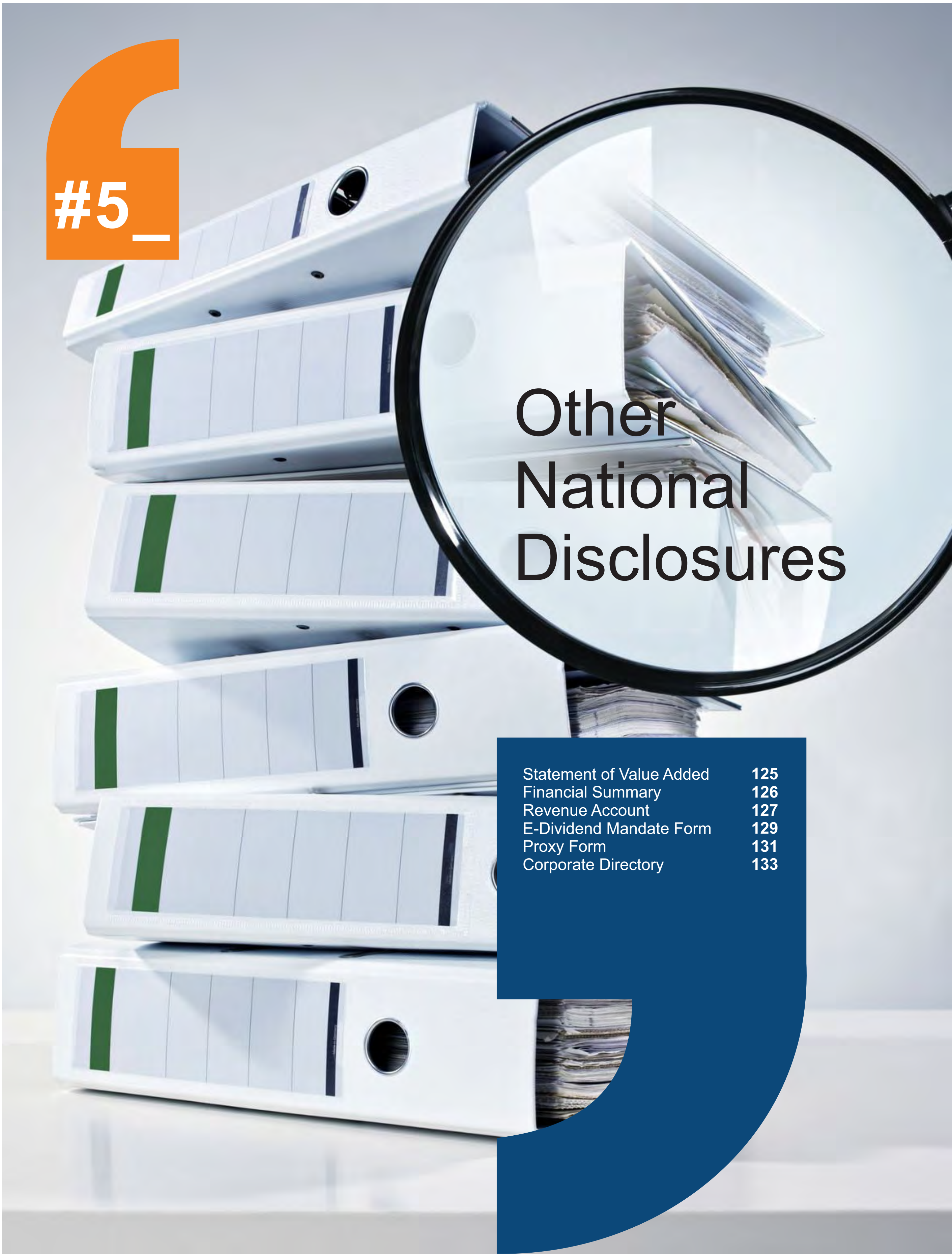
45.3 Other related party transactions
Linkage Assurance Plc is represented on the Board of IBTC Pension Manager by a member of the key management personnel. IBTC Pension Managers is one of the Pension Funds Administrators (PFAs) to some of the Company's staff.

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

47 Events after the reporting date
There are no significant events after the reporting date which could have had a material effect on the financial affairs of the Company as at 31 December 2022 and on the profit or loss and other comprehensive income for the year ended.

48 Contingent liabilities
The Company is involved in pending litigations with claims of ₦28.83million (31 December 2021: ₦15million). Based on legal advice, the Directors are of the opinion that no liability will eventuate therefrom.

49 Commitments
The Company had no capital commitments at the reporting date.



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Other National Disclosures

Value Added Statement
For the year ended 31 December 2022

	31 Dec 2022		31 Dec 2021	
	₦'000	%	₦'000	%
Net premium	7,077,688	202	5,428,543	(174)
Investment income	4,706,423	134	2,293,357	(73)
Other income	1,402,406	40	1,138,291	(36)
Claims incurred, commissions paid and operating expenses (local)	(9,675,705)	(276)	(11,986,112)	383
Value added/(eroded)	**3,510,812**	**100**	**(3,125,921)**	**100**
Distribution:				
Employees and directors (staff cost)	1,158,219	33	975,940	(31)
Government (taxes)	76,196	2	31,941	(1)
Asset replacement (depreciation)	222,886	6	191,682	(6)
Contingency reserve	-	1	-	1
Expansion (retained on the business)	2,053,512	58	(4,325,483)	138
Value added/(eroded)	**3,510,812**	**100**	**(3,125,921)**	**100**

Financial summary

	31 Dec 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	4,236,501	3,476,697	3,592,711	1,609,222	1,205,124
Financial assets	26,469,021	27,584,351	25,144,141	23,398,173	19,057,336
Trade receivables	199,857	81,468	63,974	65,898	32,090
Reinsurance assets	5,281,166	4,639,643	2,445,920	1,121,787	543,636
Deferred acquisition cost	543,059	432,828	328,812	262,550	259,098
Other receivables and prepayments	779,997	308,434	501,131	408,303	287,101
Investment property	160,000	157,500	150,000	150,000	144,000
Intangible assets	20,844	36,866	1,199	7,319	14,110
Property and equipment	1,584,679	1,467,178	1,349,516	1,381,180	1,303,014
Right-of-use assets	21,744	25,221	-	-	-
Statutory deposit	700,000	500,000	300,000	300,000	300,000
Total assets	**39,996,868**	**38,710,185**	**33,877,405**	**28,704,432**	**23,145,510**
Liabilities					
Insurance contract liabilities	12,811,727	11,635,256	5,728,661	4,652,881	4,289,254
Trade payables	1,140,673	765,141	704,169	363,724	144,234
Provision and other payables	1,001,996	1,053,785	922,984	460,618	350,232
Finance lease obligations	-	-	219	61,923	56,037
Retirement benefit obligations	84,321	89,660	62,981	49,846	22,905
Income tax liabilities	157,845	60,257	82,565	75,390	203,979
Deferred tax liabilities	-	-	-	-	158,381
Total liabilities	**15,196,562**	**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	3,395,996	2,882,618	2,547,773	2,068,770	1,778,339
Retained earnings	(1,463,786)	(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	55,639	5,040	13,244	18,431	23,761
Fair value reserve	14,423,389	17,346,660	13,948,807	13,079,548	9,406,809
Total equity	**24,800,306**	**25,106,086**	**26,375,826**	**23,040,050**	**17,920,487**
Total liabilities and equity	**39,996,868**	**38,710,185**	**33,877,405**	**28,704,432**	**23,145,510**
Statement of profit or loss and other comprehensive income					
Gross premium written	12,979,789	11,161,499	8,331,841	6,518,964	5,391,170
Net premium income	7,077,688	5,428,543	4,450,402	3,713,380	3,477,836
Underwriting results	506,162	(2,584,189)	825,589	409,240	(772,480)
Profit/(loss) before taxation	2,696,182	(3,878,914)	2,436,069	1,338,726	134,703
Taxation	(129,291)	(111,724)	(19,882)	(31,633)	-
Profit/(loss) after taxation	2,566,891	(3,990,638)	2,516,187	1,307,093	134,703
Transfer to contingency reserve	513,379	334,845	479,002	290,431	161,736
Dividend	-	(500,000)	-	-	(400,000)
Transfer to revenue reserve	2,053,512	(4,325,483)	2,037,185	1,016,662	372,967
Basic earnings per share (kobo)	18.3	(28.5)	24.0	18.2	(3.6)

Revenue Account

For the Year Ended 31 December 2022

31 Dec 2022

	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Direct receipted premium	2,539,414	1,354,387	2,602,054	850,835	515,050	23,880	609,107	4,112,194	110,937	12,717,858
Inward premium	44,906	23,147	87,454	85,466	3,753	-	15,749	-	1,456	261,931
Gross premium written	**2,584,320**	**1,377,534**	**2,689,508**	**936,301**	**518,803**	**23,880**	**624,856**	**4,112,194**	**112,393**	**12,979,789**
Changes in reserve for unexpired risk	(77,761)	(94,843)	(258,516)	8,560	22,889	(1,255)	(76,342)	47,528	(43,497)	(473,237)
Gross premium earned	**2,506,559**	**1,282,691**	**2,430,992**	**944,861**	**541,692**	**22,625**	**548,514**	**4,159,722**	**68,896**	**12,506,552**
Reinsurance Expenses (Note 32)	(1,907,987)	(482,798)	(355,410)	(435,077)	(339,291)	(11,311)	(349,366)	(2,004,792)	(88,903)	(5,974,935)
Movement in Prepaid-Reinsurance Cost	197,668	32,302	59,649	20,820	(1,148)	654	104,983	89,927	41,217	546,072
Reinsurance cost	(1,710,319)	(450,496)	(295,761)	(414,257)	(340,439)	(10,657)	(244,383)	(1,914,865)	(47,686)	(5,428,863)
Net earned premium	**796,240**	**832,195**	**2,135,231**	**530,604**	**201,253**	**11,968**	**304,131**	**2,244,857**	**21,210**	**7,077,689**
Commissions received	437,188	179,300	58,694	189,458	1,306	3,611	70,292	108,286	13,223	1,061,358
Total underwriting income	**1,233,428**	**1,011,495**	**2,193,925**	**720,062**	**202,559**	**15,579**	**374,423**	**2,353,143**	**34,433**	**8,139,047**
Underwriting expenses										
Gross Claims incurred	233,548	(1,060,540)	(798,622)	(1,140,971)	(96,937)	(1,176)	(389,324)	(399,956)	(14,389)	(3,668,367)
Recovery on Claims incurred	51,010	750,664	98,158	455,968	10,851	-	239,507	(420,892)	9,477	1,194,743
Claims expenses (Note 35)	284,558	(309,876)	(700,464)	(685,003)	(86,086)	(1,176)	(149,817)	(820,848)	(4,912)	(2,473,624)
Maintenance expenses	(526,240)	(280,505)	(547,659)	(190,657)	(105,643)	(4,863)	(127,238)	(837,358)	(22,886)	(2,643,049)
Acquisition expenses (Note 36)	(449,073)	(294,758)	(351,991)	(286,096)	(98,649)	(3,831)	(110,564)	(900,925)	(20,324)	(2,516,211)
Underwriting profit/(loss)	**542,673**	**126,356**	**593,811**	**(441,694)**	**(87,819)**	**5,709**	**(13,196)**	**(205,988)**	**(13,689)**	**506,162**

31 Dec 2021

	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
	₦'000	₦'000	₦'000	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Direct receipted premium	1,946,418	992,149	2,104,473	835,349	606,906	10,688	438,066	3,919,382	44,877	10,898,308
Inward premium	62,978	29,595	72,869	75,335	7,052	-	10,759	4,279	324	263,191
Gross premium written	**2,009,396**	**1,021,744**	**2,177,342**	**910,684**	**613,958**	**10,688**	**448,825**	**3,923,661**	**45,201**	**11,161,499**
Changes in reserve for unexpired risk	(360,176)	(26,440)	(164,814)	19,527	6,171	1	22,470	(187,137)	(16,691)	(707,089)
Gross premium earned	**1,649,220**	**995,304**	**2,012,528**	**930,211**	**620,129**	**10,689**	**471,295**	**3,736,524**	**28,510**	**10,454,410**
Reinsurance expenses (Note 33)	(1,095,063)	(559,856)	(196)	(404,010)	(404,735)	(5,290)	(262,257)	(2,279,282)	(15,176)	(5,025,865)
Net earned premium	**554,157**	**435,448**	**2,012,332**	**526,201**	**215,394**	**5,399**	**209,038**	**1,457,242**	**13,334**	**5,428,545**
Commissions received	334,168	170,094	1,450	134,846	901	1,750	71,297	115,930	3,793	834,229
Total underwriting income	**888,325**	**605,542**	**2,013,782**	**661,047**	**216,295**	**7,149**	**280,335**	**1,573,172**	**17,127**	**6,262,774**
Underwriting expenses										
Claims expenses (Note 35)	(2,323,157)	(540,045)	(1,054,174)	(215,202)	(107,821)	4,571	(63,008)	(731,758)	(2,658)	**(5,033,252)**
Acquisition expenses (Note 36)	(299,047)	(152,064)	(324,041)	(135,532)	(91,372)	(1,591)	(66,796)	(583,935)	(6,727)	(1,661,105)
Maintenance expenses	(351,573)	(230,329)	(275,496)	(262,015)	(114,438)	(1,590)	(93,786)	(818,698)	(4,680)	(2,152,605)
Underwriting profit/(loss)	**(2,085,452)**	**(316,896)**	**360,071**	**48,298**	**(97,336)**	**8,539**	**56,745**	**(561,219)**	**3,062**	**(2,584,189)**

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E-Dividend Mandate Form

In view of the robust developments in the financial sector, Linkage Assurance Plc. is pleased to introduce our e-dividend module to you. This is to facilitate the payment of your dividend through direct credit to your bank account irrespective of the type of account, current / saving. It makes dividend payment faster and safer. We advise that you take advantage of this service by supplying the information as required below and return same to us accordingly.

Please ensure you state the actual name used in purchasing the shares and the signature(s) you signed at that time and fill in BOLD prints.

Thank you.

Basil Aharanwa
Registar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Please, take this as authority to credit my/our under-mentioned account with any dividend payment(s) due on my/our shareholding particulars of which are stated below from the date hereof:
Shareholders' name

Shareholders` name...
(Surname) (Other names)

Shareholders account no(s)..

CSCS investor account no...

CSCS clearing house no...

Name of stock brokers..

Mobile phone no(s)..

Fax number..E-mail address................................

Bank name...Branch................................

Bank account number...Type of account........................

Dated this...

Day of.........................20................

....	....	....
Authorized signatory/ bank stamp	Authorized signatory /bank stamp	Shareholder signature(s)

Your completed forms should be returned to Centurion Registrars Limited or any of the Linkage Assurance Plc. branches nearest to you. Please note that it is very important that you clearly state your bank name, bank account number, E-mail address and mobile phone numbers to ensure proper processing of your mandate.
For more information, contact Ifeyinwa (+234 704 535 5922) or E-mail: info@linkageassurance.com
Centurion Registrars Limited 33C Cameron Road, Ikoyi, Lagos.

Affix N50.00
Poster Stamp
Here

Registrar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Proxy Form

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of LINKAGE ASSURANCE PLC will hold on Thursday, 22nd June 2023 at Agip Recital Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

I/We..

....
being a member/members of the above named Company or falling him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 22nd June, 2023.

Dated this ....day of 2023

Signature of Shareholder..

Name of Shareholder..

PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. Duly completed proxy forms which must be deposited at the office of the Registrar, Centurion Registrars, 33C, Cameron Road, Ikoyi, Lagos or services@centurionregistrars.com or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting

THIS CARD IS TO BE SIGNED AT THE

NUMBER OF SHARES		
RESOLUTIONS	**FOR**	**AGAINST**
ORDINARY BUSINESS 1. To receive and consider the Audited Financial Statements for the year ended 31 December 2022 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.		
2.(a) To re- elect the following Directors retiring by rotation:		
i. Mr. Olakunle Agbebi ii. Mr. Bernard Griesel		
(b) To ratify the appointment of Mrs. Valentina Marinho as Independent Non-Executive Director.		
3. To authorize the Directors to fix the remuneration of the Auditors.		
4. Disclosure of the remuneration of Managers of the Company.		
5. To elect members of the Statutory Audit Committee.		
Special Business To consider and if thought fit to pass the following Ordinary Resolutions: 1. That the remuneration of the Directors of the Company for the year ending December 31, 2023, be and is hereby fixed at N15m only. 2. To appoint DCSL Corporate Services Limited as Board Evaluation Consultant.		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

ADMISSION FORM

Before posting the above form, tear off this part and retain it.

Please admit..to the Annual General Meeting of

Linkage Assurance Plc. to be held ....

Name of Shareholder..

Signature of Person attending ....

Signature of Shareholder..

Affix N50.00
Poster Stamp
Here

Registrar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Corporate Directory

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Notes