



**LASACO ASSURANCE PLC
FINANCIAL STATEMENTS
31 DECEMBER 2022**

LASACO ASSURANCE PLC

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Corporate Information

Directors	Mrs. Olateju Phillips Mr. Razzaq Abiodun Mr. Rilwan Oshinusi Mr. Ademoye Shobo Engr. Sani Ndanusa Mr. Akin Odusami Otunba Akin Doherty Prince Jamiu Adio Saka Mr. Adeniyi Rasaq Saliu	Chairman Managing Director/CEO Deputy Managing Director(Corporate Services) Executive Director -Technical Independent Director Non-exceutive Director (Resigned 7/02/2022) Non-exceutive Director Non-executive Director Non-executive Director (Appointed on 7/11/ 2022)
Company Secretary	Mrs. Gertude Olutekunbi Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State.	
Registered Office	LASACO House Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State.	
Registration Number	31126	
Tax Identification Number	02306657-0001	
Corporate Head Office	LASACO House Plot 16, ACME Road Ogba Industrial Estate Ikeja Lagos State. Tel: (234) 01 - 2120557 E-mail: info@lasacoassurance.com Website: www.lasacoassurance.com	
Registrars	APEL Capital & Trust Limited 8, Alhaji Bashorun Street Off Norman Williams Crescent, South West, Ikoyi Lagos Telephone: 01- 873928, 7401444-5 Mobile No: 07046126698	
Bankers	Polaris Bank Limited First Bank of Nigeria Limited Ecobank Nigeria Limited Heritage Bank Plc First City Monument Bank Limited United Bank for Africa Plc Guaranty Trust Bank Limited Sterling Bank Plc	

Corporate Information (Cont'd)

Auditors	BDO Professional Services (Chartered Accountants) ADOL House, 15 CIPM Avenue Central Business District Alausa, Ikeja, Lagos. P.O.Box 4929,GPO, Marina Lagos. www.bdo-ng.com
Actuary	EY Actuaries 10th & 13th Floor, UBA House 57 Marina Lagos Nigeria
Estate Valuer	Oletubo & Co Estate Surveyors & Valuers 9, Arapasanwu Street, off oluwaloimu Off Amore Street, Toyin Street, Ikeja Fola Oyekan & Associates Estate Surveyors & Valuers 13, Ogunlana Drive , Surulere, Lagos
Solicitors	Obioha Jude Idigbe & Co 10 Marina Onikan Lagos. Lawrence Osayemi & Co 38/40 Orlando Martins Street Off Igbosere Road Lagos. Abdulkareem & Abdulkareem 7 Gray Street Behind Yaba Chief Magistrate Court Yaba Lagos.
Reinsurers	African Reinsurers Corporation Continental Reinsurance Corporation SWISS Reinsurance Company WAICA Reinsurance Pool
Our Vision	To be a market leader in Insurance and Financial Services in Nigeria, creating and sustaining an exceptional brand and providing long term value to our Stakeholders.

Corporate Information (Cont'd)

Our Mission We are committed to be the Insurance and Financial Services Company of choice in Nigeria, providing Products and Services of Superior Quality, using modern tools and a well motivated workforce to create long term value for all our Stakeholders.

Core Values

- Excellence
- Professionalism
- Integrity
- Customer Focus
- Trust
- Accountability
- Creativity
- Teamwork

Quality Policy Statement LASACO Assurance Plc is committed to delivering Insurance and Financial Services Of Superior Quality, surpassing customers expectations and ensuring strict compliance with regulatory/statutory requirements.

We are committed to continually improving the effectiveness of our Quality Management System.

We establish measurable goals and objectives at Departmental levels which we review as the need arises ensuring timely, effective implementation of Company strategy.

LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022

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RESULTS AT A GLANCE	2022	2021	Changes	
Statement of Financial Position	₦'000	₦'000	₦'000	%
Total Assets	<u>26,102,029</u>	<u>23,958,247</u>	2,143,782	9
Total Liabilities	<u>13,113,991</u>	<u>12,649,564</u>	464,427	4
Shareholders' Funds	<u>12,988,038</u>	<u>11,308,683</u>	1,679,355	15
INCOME STATEMENT	₦'000	₦'000	₦'000	%
Gross premium written	<u>13,908,476</u>	<u>13,282,516</u>	625,960	5
Gross premium income	13,376,969	12,573,331	803,638	6
Reinsurance expenses	(3,916,103)	(4,386,806)	(470,703)	(11)
Net premium income	9,460,866	8,186,525	1,274,341	16
Fee and commission income	1,132,864	1,083,076	49,788	5
Net underwriting income	10,593,730	9,269,601	1,324,129	14
Claims expenses	(3,747,223)	(4,367,771)	(620,548)	(14)
Underwriting expenses	(3,804,061)	(3,492,637)	311,424	9
Changes in Life fund	12,542	9,990	2,552	26
Changes in annuity fund	48,990	288,423	(239,433)	(83)
Underwriting profit	3,103,978	1,707,606	1,396,372	82
Loss on investment contract liabilities	(24,158)	(134,565)	(110,407)	(82)
Fair value gain on financial assets	689,853	455,242	234,611	52
Investment income	690,235	656,166	34,069	5
Other income	851,023	841,218	9,805	1
Management expenses	(3,930,757)	(3,190,632)	740,125	23
Write back/(allowance) of financial assets	142,010	(46,578)	188,588	405
Allowance of credit losses	18,393	(5,806)	24,199	417
Profit before taxation	1,540,577	282,651	1,257,926	445
Information Technology Development Levy	(15,253)	(2,799)	12,454	445
Income tax	(46,430)	(18,468)	27,962	151
Profit for the year after tax	<u>1,478,894</u>	<u>261,384</u>	1,217,510	466

LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022
REPORT OF THE DIRECTORS

The Directors present their annual reports on the affairs of LASACO Assurance Plc, as at 31 December 2022 together with the financial statements and auditors' report.

1. Legal form and Principal activity

The Company was incorporated in December 20, 1979 under the Company Decree of 1968. The Company then, known as Lagos State Assurance Company Limited obtained license as an insurer on July 7, 1980 and commenced business on August 1, 1980. It became a public limited liability Company in 1991 when the Company's shares were listed on the Nigerian Stock Exchange. The Company secured a life insurance business license from National Insurance Commission (NAICOM) in 2007. The Company then separated the life business and transferred the related assets and liabilities to its subsidiary, LASACO Life Assurance Company Limited. On January 1, 2009 LASACO Life Assurance Co. Ltd commenced business. The Company operates from its corporate office in Lagos and whilst it maintains branches in major cities of the Federation.

However, the operations of LASACO Life Company Limited and LASACO Assurance Plc have been merged to become a Composite Insurance Company by a court sanction and an approval from the National Insurance Commission (NAICOM). LASACO Life Assurance Company Limited thus ceased to exist as a Private Company from December, 2014 but now a department under LASACO Assurance Plc.

The Company is principally engaged in the provision of various classes of insurance such as general accident, fire, motor, engineering, marine, bond insurances and life assurance businesses. The Company also transacts insurance business for aviation, oil & gas and other special risks.

2. Operating results

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

SUMMARY OF THE RESULT

Comprehensive Income

	2022	2021
	N'000	N'000
Profit before tax	1,540,577	282,651
Income tax expense	(61,683)	(21,267)
Profit for the year	<u>1,478,894</u>	<u>261,384</u>
Transfer to statutory contingency reserve	(300,439)	(253,180)
Transfer to retained earnings for the year	<u><u>1,178,455</u></u>	<u><u>8,204</u></u>

3. Dividend

The Directors recommend a dividend of 15k per share for the financial year ended 31 December 2022.

4. Directors and Directors' Interest

Directors

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

5. Directors' interest

The Directors' interests in the issued share capital of the Company as recorded in the register of members and as advised by the Company's registrars for the purposes of Section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Stock Exchange are as follows:

31 December 2022

Name of Director	Direct	Indirect	Total
Mrs. Olateju Phillips	-	506,949,191	506,949,191
Otunba Akin Doherty	737,411	232,941,184	233,678,595
Mr. Akinola Odusami	6,187	-	6,187
Engineer Sani Ndanusa	-	-	-
Prince Jamiu Adio Saka	250,000	-	250,000
Mr. Razzaq Abiodun	746,000	-	746,000
Mr. Rilwan Oshinusi	-	-	-
Mr. Adeniyi Rasaq Saliu	-	-	-

31 December 2021

Name of Director	Direct	Indirect	Total
Mrs. Olateju Phillips	-	506,949,191	506,949,191
Mr. Segun Balogun	2,500,000	-	10,000,000
Otunba Akin Doherty	737,411	232,941,184	233,678,595
Mr. Akinola Odusami	6,187	-	6,187
Engineer Sani Ndanusa	-	-	-
Prince Jamiu Saka	250,000	-	-
Mr. Razzaq Abiodun	746,000	-	-
Mr. Rilwan Oshinusi	-	-	-

6. Directors' Responsibilities

The Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the income statement for that year and comply with the Insurance Act, 2003. Financial Reporting Council of Nigeria Act, No.6, 2011, Insurance Act CAP I17, LFN 2004 and section 377 of the Companies And Allied Matters Act, 2020.

7. Shareholding

The Registrars have advised that the called up and fully paid up shares of the Company as at 31 December 2022 were beneficially held as follows:

Analysis of shareholders

S/N	ACCT NO	NAME	ADDRESS	HOLDING	%
1	70538	Ibile Holdings Limited	62/64 Campbell Street Lagos P.O. Box 71282 Victoria Island Lagos State Lagos Nig Lagos	506,949,191	27.65%
2	1806	Canon Properties & Investment Limited.	P.O.Box 51549, Falomo Ikoyi, Lagos. Lagos	232,941,185	12.70%
3	Various	Nigerian Citizens and Associations	N/A	1,093,695,480	59.65%

Mrs Olateju Phillips and Prince Jamiu Saka are representing Ibile Holdings on the Board. Otunba Akin Doherty is representing Canon Properties and Investments Limited.

According to the register of members, no shareholder other than the ones mentioned above held more than 5% of the issued share capital of the Company as at 31 December 2022

8. Directors' interest in contracts

In accordance with section 277 of the Companies and Allied Matters Act, 2020, none of the Directors has notified the Company of any declarable interests in contracts or proposed contracts with the Company.

Composition of Directors

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

Mrs. Olateju Phillips	Chairman
Mr. Razzaq Abiodun	Managing Director/CEO
Mr. Rilwan Oshinusi	Deputy Managing Director(Corporate Services)
Mr. Ademoye Shobo	Executive Director -Technical
Engr. Sani Ndanusa	Independent Director
Mr. Akin Odusami	Non-exeutive Director (Resigned 7/02/2022)
Otunba Akin Doherty	Non-exeutive Director
Prince Jamiu Saka	Non-executive Director
Mr. Adeniyi Rasaq Saliu	Non-executive Director (Appointed on 7/11/2022)

Retiring Directors

In accordance with Section 285 of the Companies and Allied Matters Act, 2020, Otunba Akin Doherty and Engr Sani Ndanusa will retire by rotation at this Annual General Meeting and being eligible offer himself for re-election.

Records of the Directors Attendance

In accordance with Section 258 (2) of the Companies and Allied Matters Act, 2020, the records of the Directors attendance at Director's meeting in 2020 are available for inspection at the Annual General Meeting.

9. DONATIONS

The Company did not make any donations during the year ended 31 December 2022 (31 December 2021: Nil).

10. EVENTS AFTER THE REPORTING DATE

There were no significant events after reporting date which could have had a material effect on the consolidated financial statements for the year ended 31 December 2022 which have not been adequately provided for or disclosed in the financial statements.

11. EMPLOYMENT AND EMPLOYEES

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

When an employee becomes physically challenged during the course of his or her employment, the Company endeavours to retain the individual for employment in spite of his disability, when this is reasonably possible. As at 31 December 2022 one physically challenged person was in the employment of the Company.

12. EMPLOYEES INVOLVEMENT, TRAINING AND DEVELOPMENT

i. Information dissemination

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

ii. **Consultation with employees**

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

iii. **Encouraging employees' involvement and training**

The Company ensures that employees are informed of matters concerning them through formal and informal fora with an appropriate two-way feedback mechanism. In accordance with the Company's policy of continuous development, in-house training is provided on various aspects of the organisation. In addition, employees are nominated to attend both local and international courses and workshops which are complemented by on-the-job trainings.

iv. **Health, safety at work and welfare of employees**

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company gives priority to the health and safety of its employees by ensuring that health and safety procedures are substantially complied with and maintained in its daily operations.

v. **Acquisition of own shares**

The Company did not purchase any of its own shares during the period.

13. **AUDITORS**

In compliance with Section 33(2) of the Securities and Exchange Commission's Code of Corporate Governance and Section 22(1) of National Insurance Commission 2010 guidelines on the tenure of External Auditors, Messrs BDO Professional Services (Chartered Accountants) has shown willingness to continue in office as the auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remunerations.

By Order of the Board



Gertude Olutekunbi (Mrs.)
Company Secretary
Lagos, Nigeria
FRC/2015/NBA/00000011389
Date: 20 March 2023

Statement of Directors' Responsibilities

In accordance with the provisions of Section 377 of the Companies and Allied Matters Act, 2020 and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the financial position at the end of the financial period of the Company and of the operating result for the period then ended.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- The Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act, 1991, Insurance Act, CAP I17 LFN 2004 and Prudential Guidelines issued by National Insurance Commission.
- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

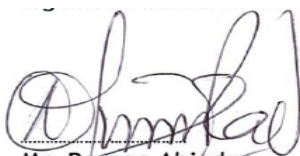
The Directors accept responsibility for the period's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with;

- Insurance Act, CAP I17 LFN 2004
- International Financial Reporting Standards (IFRS) as issued by the International Accountings Standards Board (IASB);
- Companies and Allied Matters Act, 2020;
- Banks and Other Financial Institutions Act, 1991;
- Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- Financial Reporting Council Act No 6, 2011.


The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating result for the year ended 31 December 2022.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of financial control. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors on 20 March 2023 by:



Mr. Razzaq Abjodun
Managing Director/CEO
FRC/2021/004/00000024290



Mrs Olajide Phillips
Chairman, Board of Directors
FRC/2013/IODN/00000002517

**LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022
CERTIFICATION BY COMPANY SECRETARY**

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In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020, that for the year ended 31 December 2022, the Company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



**Gertude Olutekunbi (Mrs.)
Company Secretary
FRC/2015/NBA/00000011389**

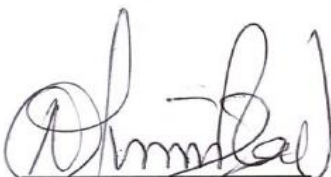
**Lagos, Nigeria
20 March 2023**

LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022
CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29
OF 2007

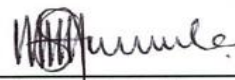
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We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2022 that:

- We have reviewed the report;
- To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the 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 operations of the Company as of, and for the periods presented in the report.
- 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 entries 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;
- We have disclosed to the auditors of the Company and audit committee:
 - All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise 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. Raḡzaq Abiodun
Managing Director/CEO
FRC/2021/004/00000024290



Mr. Akinwale Sofile
Chief Finance Officer
FRC/2012/ICAN/00000000494

To the members of LASACO Assurance Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Audit and Compliance Committee of LASACO Assurance Plc, having carried out our statutory functions under the Act, hereby report as follows:

- We have reviewed the scope and planning of the audit for the year ended 31 December 2022 and we confirm that they were adequate;
- The Company's accounting policies as well as internal control systems conform to legal requirements and ethical practices; and
- We are satisfied with the departmental responses to the External Auditors' findings on management matters for the year ended 31 December 2022

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



.....
Mr. Matthew Akinlade
Chairman of the Statutory Shareholders Audit Committee
FRC/2013/ICAN/00000002111

20 March 2023

Members of the Audit Committee

Mr. Matthew Akinlade	Chairman - Shareholders' Representative
Mrs. Abigail Olaaje	Member - Shareholders' Representative
Mr. Samson Olagoke	Member - Shareholders' Representative
Mr. Akinola Odusami	Member - Board's Representative (Retired)
Otunba Akin Doherty	Member - Board's Representative
Engr. Sani Ndanusa	Member - Board's Representative
Prince Jamiu Adio Saka	Member - Board's Representative

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For a deeper understanding of our strategy, and operational performance and also in compliance with regulatory requirements, we have outlined a Management's Comment and Analysis (MC &A) report as contained hereunder.

All financial information presented in this MC&A, including tabular amounts, is in Naira and is prepared in accordance with International Financial Reporting Standards ("IFRSs").

To facilitate the understanding of the Company's position, it is advised that the content of this MC&A be read in conjunction with the full audited financial statements as well as the accompanying notes.

Nature of Business

LASACO Assurance Plc's major activity is Insurance business. LASACO's business portfolio currently include leadership and significant share of key Federal and State Governments Insurance businesses, multinational and private companies underwriting businesses in major sectors of the economy, from heavy Engineering and Construction, Banking and Finance, Manufacturing, Agriculture, Tourism, Life covers to high- tech capital intensive special risks areas of Oil and Gas, and Aerospace.

Business Objective and Strategy

The Company aims to be a market leader in Insurance and Financial Services in Nigeria. By this, the Company's objective is to emerge as one of the top ten Insurance service providers in Nigeria.

To ensure this goal is achieved, LASACO's strategy is to broaden and align service delivery channels along customer segments taking cognizance of the difference between policy administration, product support and customer care to adequately cater for peculiar needs for each segment.

LASACO is set to be a strong, efficient, cost effective and transparent Insurance and Financial services solution provider, investing in business and market segments that consistently offer profitable growth, increase return on our capital, and sustain long term shareholders' value.

Quality Policy Statement

LASACO Assurance Plc is committed to delivering Insurance and Financial Services of Superior Quality, surpassing customers expectations and ensuring strict compliance with regulatory and statutory requirements.

We are committed to continually improving the effectiveness of our Quality Management System in line with ISO 9001 - 2008 Certification.

We establish measurable goals and objectives at departmental levels which we review as the need arises ensuring timely and effective implementation of Company strategy.

Performance Indicators

Operating Results, Cash flow and Financial Condition (in thousands of Nigerian Naira)

	2022	2021	Change
	₦'000	₦'000	%
Gross written premium	13,908,476	13,282,516	5
Net underwriting income	10,593,730	9,269,601	14
Underwriting profit	3,103,978	1,707,606	82
Investment income	690,235	656,166	5
Operating expenses	(3,930,757)	(3,190,632)	23
Profit before tax	1,540,577	282,651	445
Earnings per share (kobo)	80.7	14.3	466

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

In 2022, the premium income increased by 5% from N13.3billion achieved in 2021 to N13.9billion.

Net premium income increased by 16% from N8.2billion in 2021 to N9.5billion in 2022.

Net claims expenses decreased by 14% from ₦4.4billion in 2021 to N3.7billion in 2022.

Underwriting expenses increased by 9% from N3.5billion in 2021 to N3.8billion in 2022.

The Company profit before tax for the year increased by 445% from N0.28billion achieved in 2021 to N1.54billion in 2022.

Shareholders' funds increased by 16% from ₦11.3billion in 2021 to ₦13.1billion in 2022.

Liquidity, Capital Resources and Risk Factors

The Company's cash investment is in accordance with its investments policy and complies with the regulatory requirements. The Company's investment strategy is influenced by a focus on highly liquid financial instruments such as term deposit, equity and debt instruments.

Forward Looking Statements

Some aspects of the statement above will also apply to the Company's future outlook. Reference to the Company's or Management's budget, estimates, expectations, forecasts, predictions or projections constitute aspect of the "forward-looking statements". Such statements may also be deduced from the use of conditional or forward-looking terminologies including but not limited to words such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", or the adverse variants of such which appear within the body of this document.

Many factors and assumptions may affect the manifestation of the Company's projections, including, but not limited to, production rate, claims rate, employee turnover, relationships with brokers, agents and suppliers, economic and political conditions, non-compliance with laws or regulations by the Company's employees, brokers, agents, suppliers, and/or partners, and other factors that are beyond its control.

Without prejudice to the Company, such Forward Looking Statements reflect Management's current belief and are based on available information which are subject to risks and uncertainties as identified. Therefore, the eventual action and/or outcome could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

The forward-looking statements in this document reflect the Company's expectations as it was at the time the Company's Board of Directors approved this document, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

In accordance with the general requirements of the Nigerian Code of Corporate Governance 2018 (NCCG Code) and the Securities and Exchange Commission Corporate Governance Guideline (SCGG), we hereby highlight those key principles and practices that form the basis of the high standards of corporate conduct for which LASACO is known for.

At LASACO, we conduct our business activities in accordance with the highest degree of ethical standards of good governance, integrity and in full compliance with the law, while taking into account the interest of stakeholders. We reach out to our employees, business partners, associates and stakeholders at large to secure their commitment and participation in upholding high standards of conduct in the

The Board of Directors are responsible for setting, reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives, monitoring implementation and management performance; and overseeing major capital expenditures, acquisitions and investments. In order to fulfill their responsibilities, we ensure that Board members have access to accurate, relevant and timely information and that Board Members devote sufficient time to their responsibilities and duties. In the year 2022, the Board of Directors met often to review the Recapitalization Plans to ensure that the company meets the NAICOM deadline for

We have completed and submitted the new Financial Reporting Council Template for reporting compliance with Nigerian Code of Corporate Governance 2018 and uploaded it on the NGX Issuers portal. The evaluation of the board of Directors for year 2022 has equally commenced in line with the provision of the NCCG code.

The Matters Reserved For the Board

The Board of Directors' major performance enhancing and direction-setting responsibilities include the following matters:

- i Strategy formulation, policy thrust and Management policies
- ii Integrity of financial controls and reports
- iii Risk assessment and internal controls
- iv Board and top executive appointments
- v Creating and sustaining appropriate relationships with all stakeholders
- vi Selection, Performance Appraisal and Remuneration of Executive Directors
- vii Succession Planning
- viii Corporate Responsibility through the approval of relevant policies
- ix Approves and reviews the matters reserved for the Board and the terms of reference for
 - x Determines the remuneration for Non-Executive Directors
 - xi Sets the procedure for determining the remuneration of the company's Independent Auditors
 - xii Nominates members of the Board committees and determines the scope of delegated
 - xiii Develops and enforces a code of conduct for Non-executive Directors and a binding Statement
 - xiv Ensures compliance with all relevant laws and regulations by the Company and its officers.

The Board was made up of Five Non-executive Directors, One being Independent Director and Three Executive Directors during the 2022 financial period. At LASACO, the position of the Chairman is separate and distinct from that of the Managing Director/Chief Executive Officer. The Chairman is a Non-executive Director.

The Board of LASACO Assurance Plc met nine(9) times during the period. The following are the list of the Directors and their attendance records at the Board meetings:

BOARD OF DIRECTORS

	27/1/2022	1/2/2022	17/3/2022	6/4/2022	28/4/2022	24/5/2022	1/6/2022	28/10/2022	8/12/2022
Mrs. Teju Phillips	P	P	P	P	P	P	P	P	P
Otunba Akin Doherty	P	P	P	P	P	P	P	P	P
Mr. Akin Odusami	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Engr. Sani Ndanusa	P	P	P	P	P	P	P	P	P
Prince Jamiu Saka	P	P	P	P	P	P	P	P	P
Mr. Adeniyi Rasaq Saliu	N/A	N/A	P	P	P	P	P	P	P
Mr. Razak Abiodun	P	P	P	P	P	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P	P	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P	P	P	P	P	P

KEY: A = Absent P = Present E = Emergency N/A = Not Applicable

NOTE: Mr. Akin Odusami retired as Non executive Director on 7th February 2022

Mr. Adeniyi Saliu's appointment was approved by Naicom in November 2022

COMMITTEES OF THE BOARD

The Board performs its various duties and responsibilities through Four (4) Committees: the Finance, General Purposes and Investment Committee, the Establishment and Corporate Governance Committee, the Audit, Risk Management and Compliance Committee and the Statutory Shareholders' Audit Committee. All Board Committees make recommendations for consideration and approval by the full Board. In the year 2022, Finance, General Purposes and Investment Committee held meetings more than previous years because of the ongoing At the management level, a Management Committee presided over by the Managing Director/Chief Executive Officer and comprising the Deputy Managing Directors, General Managers and a Principal Manager meet regularly once in a fortnight.

1) FINANCE, GENERAL PURPOSES AND INVESTMENT COMMITTEE

The Committee was chaired by a Non-executive Director and made up of Three other Non-executive Directors and the three Executive Directors for a total membership of seven (7) members.

The following are the key terms of reference of the Finance and Investment Committee:

- a) To review the Company's operational standards and performance.
- b) To oversee financial reporting, policies and processes as well as compliance level.
- c) To oversee internal controls and compliance within the company.
- d) To oversee capital and operating expenditures, specific projects and their financing within the overall Business Plan and Budget approved by the Board.
- e) To ensure that there are no conflicts of interest by Directors and Top Managers in the Company in the conduct of business.
- f) To proffer suggestions on optimal use of the Company's resources.

Membership

- Otunba Akin Doherty - Chairman
- Mr. Akinola Odusami - Member /Retired 7/2/2022
- Engineer Sani Ndanusa - Member
- Prince. Jamiu Saka - Member
- Mr. Adeniyi Rasaq Saliu - Member
- Mr. Razzaq Abiodun - Managing Director/CEO
- Mr. Ademoye Shobo - ED - Technical
- Mr. Riliwan Oshinusi - Deputy Managing Director (Corporate Services)

The Board Finance, General Purposes and Investment Committee met Five (5) times during the period under review. The following table shows the meeting dates and the attendance of the Committee members at such meetings:

ATTENDANCE

DIRECTORS	24/1/2022	14/3/2022	20/4/2022	20/7/2022	20/10/2022
Otunba Akin Doherty	P	P	P	P	P
Engr. Sani Ndanusa	P	P	P	P	P
Mr. Akinola Odusami	P	N/A	N/A	N/A	N/A
Prince. Jamiu Saka	P	P	P	P	P
Mr. Adeniyi Rasaq Saliu	N/A	P	P	P	P
Mr. Razak Abiodun	P	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P	P

KEY: A = Absent

P = Present

2. THE BOARD ESTABLISHMENT AND CORPORATE GOVERNANCE COMMITTEE

The Board Establishment and Corporate Governance Committee was made up of Four Non-executive Directors, one of whom chaired the Committee and were joined by the three Executive Directors.

The Terms of reference of the Board Establishment Committee are as follows:

- a) To define the criteria and the procedure for the appointments and promotion of key officers of the company from manager cadres and above.
- b) To oversee proper administration of the Board approved Performance based Appraisal and Remuneration System.
- c) To review from time to time the organizational structure and succession planning proposals of the group and make appropriate recommendations to the full Board
- d) Oversees the implementation of Board approved Performance Goals and objectives for the Executive Directors and Top Management.

Membership

- Prince Jamiu Saka - Chairman
- Mr. Akinola Odusami - Chairman /Retired 7/2/2022
- Otunba Akin-Doherty - Member
- Engineer Sani Ndanusa - Member
- Mr. Adeniyi Rasaq Salii - Member
- Mr. Razzaq Abiodun - Managing Director/CEO
- Mr. Ademoye Shobo - ED - Technical
- Mr. Rilwan Oshinusi - Deputy Managing Director (Corporate Services)

The Board Establishment Committee met five (5) times during the period under review.

The following table shows the meeting dates and the attendance of the Committee members at such meetings:

DIRECTORS	24/1/2022	20/4/2022	20/7/2022	18/10/2022	8/12/2022
Prince Jamiu Saka	P	P	P	P	P
Mr. Akin Odusami	P	N/A	N/A	N/A	N/A
Otunba Akin Doherty	P	P	P	P	P
Engr. Sani Ndanusa	P	P	P	P	P
Mr. Adeniyi Rasaq Salii	N/A	P	P	P	P
Mr. Razak Abiodun	P	P	P	P	P
Mr. Rilwan Oshinusi	P	P	P	P	P
Mr. Ademoye Shobo	P	P	P	P	P

KEY: A = Absent P = Present

3 AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Audit, Risk Management and Compliance Committee was made up of four non-Executive Directors, were joined by the Three Executive Directors.

The Terms of reference of the Audit, Risk Management and Compliance Committee are as follows:

- a) The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.
- b) To provide oversight functions with regards to both the company's financial with regard to both the company's financial statement and its internal control and risk management functions.
- c) To review the terms of engagement and recommend the appointment or reappointment and compensation of External Auditors to the Board and the Shareholders.

Membership

- Engineer Sani Ndanusa - Chairman
- Otunba Akin-Doherty - Member
- Mr. Akinola Odusami - Member /Retired 7/2/2022
- Prince Jamiu Saka - Member
- Mr. Adeniyi Rasaq Salii - Member
- Mr. Razzaq Abiodun - Managing Director/CEO
- Mr. Ademoye Shobo - ED - Technical
- Mr. Riliwan Oshinusi - Deputy Managing Director (Corporate Services)

The Audit, Risk Management and Compliance Committee met three (3) times during the period under review.

The table below shows the meeting dates and the attendance of the Committee members at the meeting:

ATTENDANCE

DIRECTOR	20/4/2022	20/7/2022	18/10/2022
Engr. Sani Ndanusa	P	P	P
Otunba Akin Doherty	P	P	P
Mr. Akin Odusami	N/A	N/A	N/A
Prince Jamiu Saka	P	P	P
Mr. Adeniyi Rasaq Salii	P	P	P
Mr. Razak Abiodun	P	P	P
Mr. Rilwan Oshinusi	P	P	P
Mr. Ademoye Shobo	P	P	P

KEY: A = Absent P = Present

4. THE STATUTORY SHAREHOLDERS' AUDIT COMMITTEE

The Statutory Shareholders Audit Committee was made up of **five (5)** members comprising three representatives of the shareholders who were re-elected at the 2021 Annual General Meeting held on 18th August, 2022 for a period of one year till the conclusion of the 2021 Annual General Meeting; and two representatives of the Board of Directors nominated by the Board.

The Chairman of the Audit Committee for 2022 was Mr. Matthew Akinlade, FCA, a Shareholders' representative. The meetings of the Committee were attended by the Company's Internal Audit representatives represented by BDO Professional Services, the Company's Independent External Auditors. The Company Secretary is the Secretary of the Committee.

- Mr. Matthew Akinlade -
- Mrs. Abigail Olaaje - “
- Mr. Samuel Olagoke - “
- Otunba Akin-Doherty -
- Prince Jamiu Adio Saka -

The Statutory Shareholders Audit Committee met six (6) times during the period under review. The table below shows the meeting dates and the attendance of the Committee members at such meeting:

ATTENDANCE

MEMBERS	24/1/2022	25/1/2022	14/3/2022	17/3/2022	21/7/2022	18/10/2022
Mr. Matthew Akinlade	P	P	P	P	P	P
Mr. Samuel Olagoke	P	P	P	P	P	P
Olaaje (Mrs.) Abigail	P	P	P	P	P	P
Otunba Akin-Doherty	P	P	P	P	P	P
Pince Jamiu Adio Saka	P	P	P	P	P	P

The Terms of Reference of the Committee

The following were the terms of reference of the Committee as provided in section 359(6) of the Companies and Allied Matters Act CAP C20 laws of the Federation of Nigeria, 2004:

- a) Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) Review the scope of planning of audit requirements.
- c) Review the findings on management matters in conjunction with the External Auditors and departmental responses thereon;
- d) Keep under review the effectiveness of the Company's system of accounting and internal control.
- e) Make recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- f) Authorize the internal auditor to carry out investigation into activities of the Company which may be of interest or concern to the committee.

POLICIES UPLOADED ON THE WEBSITE INLINE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

1. WHISTLE BLOWING
2. SECURITY TRADING
3. SHAREHOLDERS ENGAGEMENT
4. STAKEHOLDERS MANAGEMENT

RISK MANAGEMENT DECLARATION

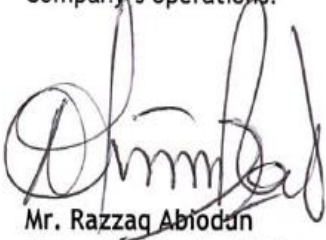
The Board Risk Management Committee of LASACO Assurance Plc hereby declares as follows:

The Company has systems in place for the purpose of ensuring compliance with NAICOM guideline;

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

The Company has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

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.



Mr. Razzag Abiodun
Managing Director/CEO
FRC/2021/004/00000024290



Mrs. Olateju Philips
Chairman
FRC/2013/IODN/0000002517



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Lagos, Nigeria

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LASACO ASSURANCE PLC REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LASACO Assurance Plc, which comprise, the statement of financial position for the year ended 31 December 2022, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company for the year ended 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011, the Companies and Allied Matters Act, 2020, Insurance Act CAP I17, LFN 2004 and the Prudential Guidelines issued by National Insurance Commission.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants 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 International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition

Due to the large number of policies underwritten by the Company and the flow of premium information from the underwriting department to the financial reporting ledger, there is a risk that the revenue recorded in the financial statements may not be completely accounted for.

Response

We have tested the design and implementation of the key controls over revenue recognition, focusing on the flow of information from the underwriting department to the financial reporting ledger. In addition, we performed substantive analytical procedures on the gross and unearned premium balances amongst others.

Valuation of investment properties

The Directors have estimated the Company's investment properties to be N4.4 billion as at 31 December 2022. Independent external valuation carried out as at 31 December 2022 were obtained in order to support the value in the company's financial statements. These valuations are based on certain key assumptions and significant judgements including capitalisation on rate and fair market rents.

BDO Professional Services, a firm of Chartered Accountants registered in Nigeria, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners: E. Olaseinde Olabisi, Olugbemiga A. Akibayo, Kamar Salami, Henry B. Omodigbo, Gideon Adewale, Olusegun Agbana-Anibaba
170585

Our response

We ascertained the following

- Evaluated the independent external valuers' competence, capabilities and objectivity
- Assessed the methodologies used and the appropriateness of the key assumptions.
- Checked the accuracy and relevance of the input data used.

Valuation of insurance contracts liabilities.

The Directors have estimated the value of insurance contract liabilities in the Company's financial statements to be N7.9billion for year ended 31 December 2022 based on the actuarial valuation and liability adequacy test carried out by the Actuary.

The valuation has been made on the following key assumptions which were determined by the Actuary:

- Reserves were calculated via a cash flow projection approach, taking into account future premiums, expenses and benefit payments including an allowance for benefits.
- The unexpired premium reserve for general business is calculated on the assumption that risk will occur evenly during the duration of the policy.
- The Company's claim payment approach will be sustained into the future.
- Weighted past average inflation will remain unchanged over the claim projection period.
- Gross claim amount includes all related claim expenses.
- An unexpired premium reserve was included for Group life business, after allowing for acquisition expenses at a ratio of 20% premium.
- An allowance was made for IBNR(Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims.

Our response

We:

- Evaluated and validated controls over insurance contract liabilities,
- Evaluated the independence, competence, capability, and objectivity of the Actuary.
- Assessed the methodologies used and the appropriateness of the key assumptions,
- Checked the accuracy and relevance of data provided to the Actuary
- Reviewed the result based on the assumptions.
- Obtain management representation of the value of insurance contracts liabilities included in the financial statements

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors' statements, but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and we do not express 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 during 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 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 the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, 2020, Insurance Act, CAP I17 LFN 2004, and the Prudential Guidelines issued by National Insurance Commission, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process. 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.

Auditors' 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 a 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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 and any significant deficiencies in internal control that we identify during our audit.

Contravention of laws and regulations

As stated in note 48 of these financial statements, the Company paid the sum of N7,293,000 (Seven Million, Two Hundred and Ninety three Thousand Naira Only) to NGX Regulation Limited and Federal Inland Revenue Service for late submission of both the audited financial statements for the year ended 31 December 2021 and late filing of 2020 annual returns during the year.

Report on other legal and regulatory requirements

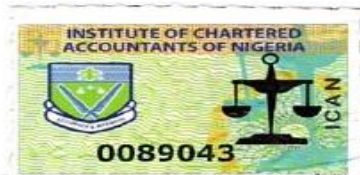
The Companies and Allied Matters Act, 2020 and Insurance Act CAP I17 LFN 2004 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
- ii) in our opinion, proper books of account have been kept by the Company
- iii) the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria
30 March 2023



Olusegun Agbana-Anibaba
FRC/2013/ICAN/00000003667
For: BDO Professional Services
Chartered Accountants



The following are the significant accounting policies adopted by the Company in the preparation of these financial statements. These accounting policies have been consistently applied for all years presented.

1.0 General Information

- (a) LASACO Assurance Plc (“LASACO” or “the Company”) is a public limited liability Company domiciled in Nigeria. The Company’s registered and Corporate Office is Plot 16, ACME Road, Ogba Industrial Estate, Ikeja Lagos.

The Company was incorporated on 20 December 1979 under the Company Decree of 1968. The Company then, known as Lagos State Assurance Company Limited obtained license as an insurer on 7 July 1980 and commenced business on 1 August 1980. It became a public limited liability Company in 1991 when the Company’s shares were listed on the Nigerian Stock Exchange. The Company secured a life insurance business license from National Insurance Commission (NAICOM) in 2007. The Company then separated the life business and transferred the related assets and liabilities to its subsidiary, LASACO Life Assurance Company Limited. On 1 January 2009 LASACO Life Assurance Co. Ltd commenced business. The Company operates from its corporate office in Lagos and whilst it maintains branches in major cities of the Federation.

The purpose of the merger is to enable the Company operate as a composite Insurance Company as against the group structure in operation before the merger.

The merger process was concluded on 16 December 2014 with conclusion of the Court Ordered Meeting and final Court approval. This is in line with Section 30(1)(b) of the Insurance Act.

All assets and liabilities of LASACO Life Assurance Ltd have been transferred to LASACO Assurance Plc, hence LASACO Life Assurance Co Ltd cease to operate as an Insurance Company and as a subsidiary of LASACO Assurance Plc with effect from 17 December 2014.

(b) Principal activity

The Company is principally engaged in the provision of various classes of insurance such as general accident, fire, motor, engineering, marine, bond insurances and life assurance businesses. The Company also transacts insurance business for aviation, oil & gas and other special risks.

These financial statements were authorized by the Board of Directors on 20th March 2023.

1.1 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 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 management believes that the going concern assumption is appropriate for the Company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of the business. Liquidity ratio and continuous evaluation of current ratio of the Company is carried out by the Company to ensure that there are no going concern threats to the operations of the Company.

1.3 Basis of Preparation and Compliance with International Financial Reporting Standards

The Company's financial statements for the year ended 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act, 2020, Insurance Act CAP I17, LFN 2004 and Prudential Guidelines issued by National insurance Commission and Investment and Securities Act 2007.

1.3.1 Foreign currency translation

(a) Functional and Presentation Currency

The financial statements are presented in Nigerian currency (Naira) which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand (₦ '000)

(b) Transactions and balances in foreign currencies

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at that date. Exchange gains arising from the revaluation of monetary assets and liabilities are recognized in the income statement while those on non-monetary items are recognized in other comprehensive income. For non-monetary financial assets fair value through other comprehensive income, unrealized exchange differences are recorded directly in equity until the asset is disposed or impaired.

1.3.2 Basis of measurement

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

- Financial instruments at fair value through profit or loss;
- Financial assets classified as FVOCI which are measured at fair value through other comprehensive income;
- Financial assets which are measured at amortised costs;
- Land and building (included in property and equipment) which are measured at fair value through other comprehensive income; and
- Investment properties which are measured at fair value.
- In accordance with IFRS 4 Insurance contracts, the Company has applied existing accounting policies for its Life and Non-life Insurance contracts, modified as appropriate to comply with the IFRS framework.

1.4 Critical Accounting Estimates, Judgments and Assumptions

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

(i) Business model assessment

For financial assets that are held for the purpose of collecting contractual cash flows, the Company has assessed whether the contractual terms of these assets are solely payments of principal and interest on the principal amount outstanding.

(ii) Allowances for credit losses

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, changes in foreign exchanges, real estate prices indices, country risk and the performance of different individual groups).

These critical assumptions have been applied consistently to all years presented, except as follows:

The Company applied the impairment requirements under IFRS 9 since 1 January 2018 and no changes to the assumptions used for the calculation for allowance for impairment in 2022 using the expected credit loss model.

(iii) Impairment of financial assets

The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of Expected Credit Losses (ECL).

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

Staged Approach to the determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

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

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

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

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

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

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

1.5 Judgments, Estimates and Assumptions

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

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

1.5.1 Income Taxes

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

1.5.2 Retirement Benefits

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

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

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

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

1.5.3 Fair Valuation of Investment Properties

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

1.6 New standards, interpretations and amendments adopted from 1 January 2022

Standard/Interpretation		Date issued by IASB	Effective date
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	14 May 2020	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	14 May 2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	14 May 2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework	14 May 2020	1 January 2022

New standards, amendments and interpretations issued but not yet effective

The following are the new standards and interpretations that have been issued, but are not

Standard/Interpretation		Date	Effective date
IAS 1	Classification of liabilities as current or non-	23 January	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	12 February 2021	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	12 February 2021	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	7 May 2021	1 January 2023
IAS 1	Non-current Liabilities with covenants	31 October 2022	1 January 2024
IAS 16	Lease Liability in a sale and Leaseback (Amendments to IFRS 16)	22 September 2022	1 January 2024
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of	1 June 2020	1 January 2023

*All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the Entity).

2.1 SIGNIFICANT ACCOUNTING POLICIES

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

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

2.2 CASH AND CASH EQUIVALENTS

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

2.3 FINANCIAL ASSETS

In 2018 financial year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018.

2.3.1 Recognition and initial measurement

Financial assets and liabilities, with the exception of other loans and receivables, are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instruments

This includes regular way trades: purchases or sales of financial assets that requires delivery of assets within the time frame generally established by regulation or convention in the market place. Other loans and receivables are recognised when funds are transferred to the policy holder's accounts.

A financial asset or financial liability is measured initially at fair value or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

2.3.2 Classification and Measurement

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

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

- (a) those to be measured at fair value through profit or loss (FVTPL)
- (b) those to be measured at amortised cost ; and
- (c) those to be measured at fair value through other comprehensive income (FVOCI)

The classification depends on the Company's business model (ie business model test) for managing financial assets and the contractual terms of the financial assets cash flows(i.e. solely payments of principal and interest - SPPI test.)

The Company also classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortised cost. Management determines the classification of the financial instruments at initial recognition.

A. Classification of Financial Assets

a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

b) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/(loss) in the period in which it arises. Interest income from these financial assets is recognised in profit or loss as 'Investment income'.

In addition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This is done on initial recognition of the instrument.

c) Financial assets measured at FVOCI

The Company subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/(loss) in the profit or loss.

Business Model Assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 1) The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- 2) How the performance of the portfolio is evaluated and reported to management;
- 3) The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- 4) How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 5) The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

B. Classification of Financial Liabilities

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

- a) Fair Value through Profit or Loss (FVTPL)
- b) Amortised cost

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

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

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

Financial liabilities at fair value through profit or loss shall be financial liabilities held for trading. A financial liability shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which there shall be evidence of a recent actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.

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

(b) Financial Liabilities at amortised cost

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

C. Reclassifications

The Company reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Company's operations.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets that are debt instruments. A change in the objective of the Company's business occurs only when the Company either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

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

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the entity with different business models.

Financial liabilities are not reclassified after initial classification.

Financial assets under the amortised cost classification (i.e. business model whose objective is to collect the contractual cash flows) can still be held as such even when there are sales within the portfolio as long as the sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

However, if more than an infrequent number of such sales are made out of a portfolio and those sales are more than insignificant in value (either individually or in aggregate), the Company will assess whether and how such sales are consistent with an objective of collecting contractual cash flows.

The Company has defined the following factors which will be considered in concluding on the significance and frequency of sale:

- **Definition of Insignificance:** The Company considers the sale of assets within the BM1 as insignificant if the total sales constitute a value that is less than or equal to 15% of the current amortised cost portfolio per annum or a 5% per quarter subject to a maximum of 15% per annum threshold.
- **Definition of Infrequent:** The Company has decided that any sale not more than once a quarter would be considered as an infrequent sale.
- **Definition of closeness to maturity:** The Company defines close to maturity as instruments with three months to maturity

2.3.3 Modifications of financial assets and financial liabilities

(1) Financial Assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortized cost'.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the period.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Company will consider the following non-exhaustive criteria:

Qualitative criteria

Scenarios where modifications could lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, are:

- Change in frequency of repayments i.e. change of monthly repayments to quarterly or yearly repayments
- Reduction of financial asset's tenor
- Extension of financial asset's tenor
- Reduction in repayment of principals and interest
- Capitalisation of overdue repayments into a new principal amount

On occurrence of any of the above factors, the Company will perform a 10% test (see below) to determine whether or not the modification is substantial.

Scenarios where modification will not lead to derecognition of existing financial assets are:

- Change in interest rate

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if:

- The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

A modification would not lead to derecognition of existing financial asset if:

- the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see below) and ECL measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Modification gain or loss shall be included as part of impairment loss on financial assets for each financial period.

(2) Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.3.4 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) principles

The Company recognizes allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

- cash and cash equivalents.
- Debt instrument at amortised cost.
- Other receivables.
- Statutory deposit.

The instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12m ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime - stage 2 or stage 3 of the ECL bucket, the Company would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary period above, the Company will also observe a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

(b) The calculation of ECLs

Expected credit losses are probability-weighted estimate of credit losses over the expected life of the financial Instrument. Credit losses are the present value of the expected cash shortfalls.

The measurement of the expected credit losses should reflect:

- An unbiased and probability weighted amount
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses. Rather, it acknowledges that the method used to measure expected credit loss may vary based on the type of the financial asset and the information available.

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- **Stage 1:** The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- **Stage 2:** When an asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For assets considered credit-impaired, the Company recognizes the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **POCI:** POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

(c) Debt instruments measured at fair through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

(d) Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Company only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

(e) Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms: salary/other terminal benefits for the staff loans etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

(f) Presentation of allowance for ECL in the statement of Financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is its fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(g.) Write - off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realization of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Risk Management Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initiated by the Board Risk Management Committee.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(h). Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as , GDP growth, Unemployment rates, Inflation rates and crude oil prices.

2.3.6 Fair value measurement - policy applicable for current and comparative periods

'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.

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

2.3.7 Derecognition of financial assets

The Company derecognises a financial assets when the contractual rights to the cash flows from the financial asset expire, or when 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 in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability. Impaired debts are de-recognised when they are assessed as uncollectible.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.3.8 Derecognition of financial liabilities

The Company de-recognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. 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 profit or loss.

2.3.9 Write off - policy applicable for current and comparative periods

The Company writes off a financial asset (and any related allowances for impairment losses) when the Company's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

2.4 TRADE RECEIVABLES

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

2.5 REINSURANCE ASSETS

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for the insurance contracts in accounting policy are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered in to by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. Reinsurance assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Company assesses its reinsurance assets for impairment on a yearly basis. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

(a) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at used for these financial assets. These processes are described in accounting policy.

2.6 DEFERRED ACQUISITION COSTS

Deferred Acquisition Cost (DAC) refers to direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts. These costs are deferred with the expectation that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred. Subsequent to initial recognition, deferred acquisition costs for life insurance business are amortized over the expected life of the contracts as a constant percentage of expected premiums. DAC for general insurance business is amortized over the period in which the related revenues are earned. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value an impairment loss is recognised in the income statement. Deferred acquisition cost is also considered in the liability adequacy test for each reporting period. DAC is derecognised when the related contracts are either settled or disposed off.

2.7 OTHER RECEIVABLES AND PREPAYMENTS

2.7.1 Other receivables

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

2.7.2 Prepayments

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

2.8 INVESTMENT PROPERTIES

Investment properties comprises of properties held to earn rental income and/or for capital appreciation. Investment properties are initially measured at cost and subsequently carried at fair value based on valuers hired by the Company. Investment properties are revalued with sufficient regularity by external professional. The valuator's value is determined by discounting expected future cash flows at appropriate market interest rates. Changes in fair value of investment properties are recognised in the statement of comprehensive income as investment surplus. When investment properties become owner-occupied, the Company reclassifies them to owner-occupied properties at a deemed cost equal to the fair value of properties at the date of reclassification. The difference between the carrying value and fair value of the properties at the date of reclassification to investment properties is recognised directly in equity as a revaluation surplus. Investment properties are derecognised when they have either been disposed off or when they are permanently withdrawn from use and no future benefit is expected from their disposal.

2.9 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2004. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and interest income earned on the deposit is included in investment income.

2.10 INTANGIBLE ASSETS

Intangible assets comprise computer software licenses, which are with finite lives and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with finite useful life are reviewed at every financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

The Company chooses to use the cost model for the measurement after recognition. Amortisation is calculated on a straight line basis over the useful lives as follows:

IES-Online Software	33%
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2.11 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and equipment are initially recorded at cost. Land is subsequently carried at revalued amount being the fair value at the date of revaluation, while buildings are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

(iv) De-recognition

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

2.12 INSURANCE CONTRACT LIABILITIES

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

(a) Types of Insurance Contracts

The Company classify insurance contracts into Life and Non - Life Insurance contracts

(I) Non - Life Insurance contracts

These are accident, property and casualty insurance contracts.

Accident and casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

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

(2) Life insurance contracts

This contract insures event associated with human life.

(i) Non- life insurance contract premium and claims

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

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include 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 yet 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 be affected by external factors (such as court decisions).

(ii) Life insurance contract premium and claims

Premiums are recognised as revenue when they become payable by the contract holders. Premium is shown before deduction of commission.

Claims and other benefits are recorded as an expense when they are incurred.

(iii) Salvage

Some non-life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim. The Company may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right). Salvage recoveries are used to reduce the claim expense when the claim is settled.

(iv) Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

(v) Receivables and payables relating to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

2.13 INVESTMENT CONTRACT LIABILITIES

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unutilised funds are measured at fair value. Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss account in the period it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the income statement of the Company.

(a) Technical Reserves

These are computed in compliance with provision of Section 20,21 and 22 of the Insurance Act 2003 as follows:

Reserve for unearned premium

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

Reserve for outstanding claims

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

Reserve for Unexpired risks

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

(b) Life Insurance Contract Life fund

This made up of net liabilities on policies in force as computed by the actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in the statement of profit or loss.

The reserves include Incurred But Not Reported (IBNR) and unearned premium.

(c) Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves.

d) Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity benefits. However, there is a death benefit payable to named beneficiary if death occurs within the ten years guaranteed period. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in money market instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistence, maintenance expenses and investment income that are established at the time the contract is issued.

e) Recognition and Measurement of Annuity Premium and Claims

Annuity premiums relate to single premium payments and are recognised as earned premium income in the period in which payments are received.

Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to income statement as incurred. Premiums are recognised as revenue when they become payable by the contract holders.

2.14 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not, that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. 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 obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.15 RETIREMENT OBLIGATIONS AND EMPLOYEE BENEFITS

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

(i) Defined contribution pension scheme

The Company operates a defined contribution scheme in line with Pension Reform Act, 2014. The employee and the Company contribute 8.5% and 10% of the employee total emoluments (basic, housing and transport allowances) respectively. The Company's contribution each year is charged against income and is included in staff cost. The Company has no further obligations once the contribution is paid to the respective employee Pension Fund Administrators.

(ii) Defined benefit gratuity scheme

A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past services cost. The Board of directors approved the discontinuation of the defined benefit plan with effect from 23 September 2021 and authorised that qualified staff members as at the date be settled.

2.16 INCOME TAX LIABILITIES

Income tax expense comprises current and deferred tax

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognized as an expense for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity.

(ii) Deferred income tax

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

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

However, deferred income tax is not recognized for:

- (a) Temporary differences arising on the initial recognition of goodwill
- (b) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- (c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

2.17 SHARE CAPITAL AND PREMIUM

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

2.18 CONTINGENCY RESERVE

(a) Non-Life Business

In accordance with section 20(1) of Insurance Act 2003, the contingency reserve is credited with the higher of 3% of total premiums, or 20% of the profits. This shall be accumulated until it reaches the amount of the higher of minimum paid-up capital or 50 percent of net premium.

(a) Life Business

In accordance with section 22(1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

2.19 RETAINED EARNINGS

Retained earnings are the carried forward recognised income net of expenses plus current period profit or loss attributable to owners of the Company.

2.20 FVOCI RESERVE

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

2.21 OTHER RESERVES - EMPLOYEE BENEFIT ACTUARIAL SURPLUS

Actuarial surplus/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the period, net of applicable deferred tax assets/liability on employee benefit obligation, are recognized in other comprehensive income.

2.22 ASSET REVALUATION RESERVES

Subsequent to initial recognition, an item of property and equipment and, in certain circumstances, 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 recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which case it is recognised in income statement. 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 recognised in profit or loss.

2.23 EARNINGS PER SHARE

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

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

2.24 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Nigerian Naira (N), which is the Company's presentation currency.

(b) 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 gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or finance cost'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income' or 'Other operating expenses'.

2.25 REVENUE RECOGNITION

Revenue comprises the fair value of services, net of value-added tax, after eliminating revenue within the Company. Revenue is recognized as follows:

(a) Rendering of services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.

Recognition and Measurement of Insurance Contracts

i Gross premium written

Gross premiums on life and non-life are recognised as revenue when payable by the policy holder. For single premium business, revenue is recognised on the date on which the policy is effective. Gross general insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the component policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of businesses written in prior accounting periods.

ii Gross premium earned

Gross premium earned is stated at premium written on direct and indirect business after deducting premium relating to unexpired risks which is determined on time apportionment basis.

iii Net premium earned

Net premium represents total amount invoiced to policy holders less reinsurance and is recognized as an income from the date of attachment of risk.

iv Reinsurance premium

The Company cedes reinsurance in the normal course of business with retention limits varying by line of business for the purpose of limiting its net loss potential. Reinsurance arrangements however do not relieve the Company from its direct obligation to its policy holders. This is recognized as an expense or deduction from the gross premium and it relates to premium on business ceded on treaty and facultative and is recognized on part apportionment basis.

2.26 REINSURANCE EXPENSES

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting period.

2.27 FEES AND COMMISSION INCOME

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

2.28 CLAIMS AND LOSS ADJUSTMENT EXPENSES

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet 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 be affected by external factors (such as court decisions).

(a) Salvages

Some non-life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim.

The Company may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expenses when the claim is settled.

2.29 DEFICIT AND SURPLUS ON ACTUARIAL VALUATION

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising there from are charged to the profit or loss account while the surplus is appropriated to the shareholders and credited to the income statement.

2.30 UNDERWRITING EXPENSES

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract.

(a) Commission expenses

Commission expenses are brokerage fees paid to brokers and agents which are certain percentages based on the class of business underwritten.

(b) Maintenance expenses

Maintenance expenses are expenses incurred in servicing existing policies/contract. These expenses are charged to the revenue account in the accounting period in which they are incurred.

2.31 INVESTMENT INCOME

Investment income includes interest, rental and dividend income received. Interest income is accounted for on a time proportionate basis that takes into account the effective yield on the asset and includes the net income earned from short term investments. Rental income on operating lease is recognised on a straight-line basis over the lease term.

Dividend income

Dividend income is recognised in profit or loss when the right to receive the dividend is established.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

(a) Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2018).

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(b) Calculation of interest income and expenses

The Company calculates interest income and expense by applying the effective interest rate to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial asset that have become credit-impaired subsequent to initial recognition and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, then the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted effective interest rate and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(c) Presentation

Interest income and expenses presented in the profit or loss includes:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.
- interest on debt instruments measured at FVOCI calculated on an effective interest basis (if any).

Interest income and expense on all assets and liabilities measured at FVTPL are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in "net fair value gains/(losses)".

2.32 SEGMENT REPORTING

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

2.33 CONTINGENT LIABILITIES


These are 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 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, which are not recognised in the Company's statement of financial position but are disclosed in the notes to the financial statements.

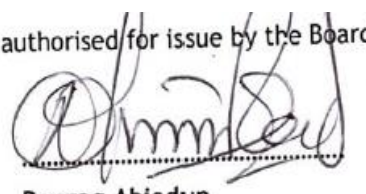
Possible assets of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control or the Company, are not recognised in the Company's statement of financial position and are only disclosed in the notes to the financial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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

ASSETS	NOTES	2022 N'000	2021 N'000
Cash and cash equivalents	3	9,414,470	9,438,005
Financial Assets:			
- At fair value through profit or loss	4.1	532,624	993,044
- At fair value through other comprehensive income	4.2	290,777	290,777
- At amortised cost	4.3	3,431,911	3,622,309
Trade receivables	5	447,817	230,938
Reinsurance assets	6	2,371,098	2,494,570
Deferred acquisition costs	7	444,267	331,594
Other receivables and prepayments	8	208,660	300,013
Investment properties	9	4,400,842	3,604,045
Investment in subsidairies	10	638,310	-
Statutory deposit	11	535,150	535,150
Intangible asset	12	106,270	19
Property, plant and equipment	13	3,279,833	2,117,783
Total Assets		26,102,029	23,958,247
Liabilities And Shareholders' Funds			
Liabilities			
Insurance contract liabilities	14	7,940,226	8,154,136
Investment contract liabilities	15	1,067,294	1,076,506
Trade payables	16	2,314,512	775,104
Other payables and accruals	17	1,386,126	828,870
Retirement Benefit Obligations	18	-	1,456,211
Income tax liabilities	19(a)	278,249	253,427
Deferred tax liabilities	20	127,584	105,310
Total Liabilities		13,113,991	12,649,564
Equity			
Share capital	21	916,793	916,793
Share premium	22	3,690,991	3,690,991
Deposit for shares	22.1	3,500,000	3,500,000
Statutory contingency reserve	23	2,632,016	2,331,577
Retained earnings	24	1,554,636	669,705
Fair value through other comprehensive income reserve	25	437,340	437,340
Assets revaluation reserve	26(a)	256,262	55,801
Reserve on actuarial valuation of gratuity	26(b)	-	(293,524)
Shareholders' Funds		12,988,038	11,308,683
Total Liabilities And Shareholders' Funds		26,102,029	23,958,247

The financial statements were approved and authorised for issue by the Board of Directors on 20 March 2023 and signed on its behalf by:


 Olateju Phillips
 Chairman
 FRC/2013/IODN/00000002517


 Razzaq Abiodun
 Managing Director/CEO
 FRC/2021/004/00000024290


 Akinwale Sofile
 Chief Financial Officer
 FRC/2012/ICAN/00000000494

The accounting policies on pages 5 to 33, notes on pages 38 to 86 and other national disclosures on pages 87 to 90 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	NOTE	2022 N'000	2021 N'000
Gross premium written	27	13,908,476	13,282,516
Unearned premium	28	(531,507)	(709,185)
Gross premium income		<u>13,376,969</u>	<u>12,573,331</u>
Reinsurance expenses	29	(3,916,103)	(4,386,806)
Net premium income		<u>9,460,866</u>	<u>8,186,525</u>
Fees and Commission income	30	1,132,864	1,083,076
Net underwriting income		<u>10,593,730</u>	<u>9,269,601</u>
Claims expenses (net)	31	3,747,223	4,367,771
Underwriting expenses	32	3,804,061	3,492,637
Changes in Life fund	14.2(d)	(12,542)	(9,990)
Changes in annuity fund	14.2(e)	(48,990)	(288,423)
Total underwriting expenses		<u>7,489,752</u>	<u>7,561,995</u>
Underwriting profit		3,103,978	1,707,606
Investment income	33	690,235	656,166
Fair value gains or loss	34	689,853	455,242
Write back/ (impairment) of other assets	8(e)	142,010	(46,578)
Loss on investment contract liabilities	36	(24,158)	(134,565)
Other income	35	851,023	841,218
Management expenses	37	(3,930,757)	(3,190,632)
Write back/ (allowance) of expected credit losses	38	18,393	(5,806)
Profit before taxation	40	<u>1,540,577</u>	<u>282,651</u>
InformationTechnology Development Levy	19	(15,253)	(2,799)
Income tax	19	(46,430)	(18,468)
Profit for the year		<u>1,478,894</u>	<u>261,384</u>
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Fair value loss on financial assets at FVOCI	25	-	(20,758)
Items that will not be classified to profit or loss:			
Revaluation surplus on property,plant and equipment	26(a)	200,461	55,801
Actuarial gain on gratuity	26(b)	-	293,383
Other comprehensive income		<u>200,461</u>	<u>328,426</u>
Total comprehensive income for the year		<u>1,679,355</u>	<u>589,810</u>
Earnings per share : Basic/diluted (kobo)	41	<u>80.7</u>	<u>14.3</u>

The accounting policies on pages 5 to 33, notes on pages 38 to 86 and other national disclosures on pages 87 to 90 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

LASACO ASSURANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium	Deposit for shares	Contingency reserve	FVOCI Reserve	Asset revaluation reserve	Reserve on actuarial valuation of gratuity	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January, 2022	916,793	3,690,991	3,500,000	2,331,577	437,340	55,801	(293,524)	669,705	11,308,683
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	1,478,894	1,478,894
Transfer to contingency reserve	-	-	-	300,439	-	-	-	(300,439)	-
Changes in valuation of gratuity	-	-	-	-	-	-	293,524	(293,524)	-
Changes in valuation of land and building	-	-	-	-	-	200,461	-	-	200,461
Fair value gain on FVOCI	-	-	-	-	-	-	-	-	-
Balance 31 December, 2022	916,793	3,690,991	3,500,000	2,632,016	437,340	256,262	-	1,554,636	12,988,038
Balance 1 January, 2021	3,667,172	940,612	400,000	2,078,397	458,098	-	(586,907)	844,860	7,802,232
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	261,384	261,384
Transfer to contingency reserve	-	-	-	253,180	-	-	-	(253,180)	-
Dividend paid during the year	-	-	-	-	-	-	-	(183,359)	(183,359)
Changes in valuation of gratuity	-	-	-	-	-	-	293,383	-	293,383
Changes in valuation of land and building	-	-	-	-	-	55,801	-	-	55,801
Fair value loss on FVOCI	-	-	-	-	(20,758)	-	-	-	(20,758)
Transfer on share reconstruction	(2,750,379)	2,750,379	-	-	-	-	-	-	-
Deposit for shares	-	-	3,100,000	-	-	-	-	-	3,100,000
Balance 31 December, 2021	916,793	3,690,991	3,500,000	2,331,577	437,340	55,801	(293,524)	669,705	11,308,683

The accounting policies on pages 5 to 33, notes on pages 38 to 86 and other national disclosures on pages 87 to 90 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

LASACO ASSURANCE PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

37

		2022	2021
	Notes	N'000	N'000
Cash flows from Operating Activities:			
Premium received from policy holders		13,186,809	12,671,599
Premium received from deposit administration	15	345,151	324,249
Deposit premium	16	1,912,564	593,326
Reinsurance Premium Paid	29	(4,214,836)	(4,430,582)
Fees and Commission Received	30(a)	1,035,257	1,110,158
Direct Claims Paid	31	(6,969,708)	(8,987,537)
Deposit administration withdrawals	15	(403,971)	(319,303)
Claims received from reinsurers	31(c)	2,845,542	4,675,536
Rental income	35	15,380	19,151
Commission paid	32(a)	(1,864,855)	(1,549,452)
Maintenance expenses paid	32(c)	(2,051,879)	(1,878,797)
Cash paid to and on behalf of employees	37(a)	(2,157,306)	(1,392,314)
Other operating cash payments		(1,098,513)	(895,819)
Company income tax paid	19(a)	(36,861)	(156,833)
Net cash generated/(absorbed) from operating activities	43	542,774	(216,618)
Cash flows from Investing Activities:			
Proceeds from redemption of Bonds	4.3(a)	326,610	1,113,013
Proceeds from redemption of other amortised cost	4.3(d)	837,560	880,521
Purchase of financial assets at amortised cost	4.3(a)(d)	(741,606)	(716,581)
Proceeds from Sales of Assets FVPL	4.1	439,591	-
Investment income received	33	341,197	332,502
Acquisition of investment properties	9	(92,893)	(5,175)
Additional investment in subsidiary	10	(638,310)	-
Acquisition of property, plant and equipment	13	(1,047,247)	(302,513)
Proceeds from disposal on property, plant and equipment	39	8,789	24,543
Net cash (outflow)/inflow from investing activities		(566,309)	1,326,310
Cash flows from financing activities			
Deposit for shares	22.1	-	3,100,000
Dividends paid to equity holders of the parent	24	-	(183,359)
Net cash inflow from financing activities		-	2,916,641
Net (decrease)/ increase in cash and cash equivalents		(23,535)	4,026,333
Cash and cash equivalents at beginning of the year		9,438,005	5,411,672
Cash and cash equivalents at end of the year		9,414,470	9,438,005
Represented by:			
Cash and cash equivalents at end of the year	3	9,414,470	9,438,005

The accounting policies on pages 5 to 33, notes on pages 38 to 86 and other national disclosures on pages 87 to 90 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

3. Cash and Cash Equivalents

	2022 N'000	2021 N'000
Cash - petty cash	214	117
Balances with Local banks	5,732,162	1,587,161
Placement with banks (Note 3(a))	3,698,809	7,871,068
	<u>9,431,185</u>	<u>9,458,346</u>
Allowance for credit losses (Note 3(b))	(16,715)	(20,341)
Total cash and cash equivalents	<u><u>9,414,470</u></u>	<u><u>9,438,005</u></u>
Current	9,414,470	9,438,005
Non-current	-	-

Short-term deposits are made for varying periods averaging between 1 - 90 days depending on the immediate cash requirements of the Company. All deposits are subject to an average interest rate of 8.28%. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

	2022 N'000	2021 N'000
(a) Short-term deposits		
Balance at the beginning of the year	7,871,068	3,969,034
Additions during the year	2,060,842	6,459,941
Liquidation during the year	(6,601,966)	(2,557,907)
Interest earned (Note 33)	330,208	-
Interest earned on placement for policy holders (Note 36)	25,450	-
Interest earned on placement for annuity	13,207	-
Balance at the end of the year	<u>3,698,809</u>	<u>7,871,068</u>
(b) Allowance for credit losses		
Balance at the beginning of the year	20,341	19,976
Allowance of credit losses (Note 38)	(3,626)	365
Balance at the end of the year	<u>16,715</u>	<u>20,341</u>

4. Financial Assets

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

	N'000	N'000
Fair value through profit or loss (Note 4.1)	532,624	993,044
Fair value through other comprehensive income (Note 4.2)	290,777	290,777
Financial assets at amortised cost (Note 4.3)	3,431,911	3,622,309
	<u>4,255,312</u>	<u>4,906,130</u>
Current	-	-
Non-current	4,255,312	4,906,130
	<u>4,255,312</u>	<u>4,906,130</u>

4.1 Financial assets at fair value through profit or loss

	N'000	N'000
Balance at the beginning of the year	993,044	943,972
Fair value (loss)/gain during the year (Note 34)	(20,829)	49,072
Disposal	(439,591)	-
Balance at the end of the year	<u>532,624</u>	<u>993,044</u>

(a) Fair value through profit or loss

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

4.2 Fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

Equity securities	2022	2021
Fair value	N'000	N'000
Energy & Allied Insurance Pool	119,153	119,153
Nigeria Liability Insurance Pool	18,761	18,761
WAICA Reinsurance Co. Limited	95,236	95,236
Health Care International	57,627	57,627
	<u>290,777</u>	<u>290,777</u>

(b) Equity instrument measured at fair value through other comprehensive income

	N'000	N'000
Balance at the beginning of the year	290,777	311,535
Fair value loss (Note 25)	-	(20,758)
Balance at the end of the year	<u>290,777</u>	<u>290,777</u>

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

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

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

4.3 Financial assets at amortised cost

	N'000	N'000
Bonds (Note 4.3(a))	3,292,339	2,853,700
Fixed deposits and Treasury bills (Note 4.3(d))	139,572	768,609
	<u>3,431,911</u>	<u>3,622,309</u>

(a) Bonds

	N'000	N'000
Balance at the beginning of the year	2,853,700	3,271,750
Purchases during the year	558,881	449,818
Accrued interest capitalised (Note 33)	208,650	250,129
	<u>3,621,231</u>	<u>3,971,697</u>
Repayment during the year	(326,610)	(1,113,013)
Allowance for credit losses (Note 4.3(e))	(2,282)	(4,984)
Balance at the end of the year	<u>3,292,339</u>	<u>2,853,700</u>

(b) Breakdown of the bonds

	Maturity date	Coupon Rate	Frequency	N'000	N'000
Federal Government Bond	March 2025	13.53%	Half yearly	473,275	-
Federal Government Bond	January 2027	12.50%	Half yearly	912,546	979,938
Federal Government Bond	May 2024			50,000	
Lagos State Bond	December 2031	13%	Half yearly	400,000	455,000
Federal Government Bond	April 2023	12.75%	Half yearly	1,405,921	1,414,179
Ondo State Bond	April 2022	15.54%	Half yearly		4,583
Federal Government Bond				50,597	
Federal Government savings Bond	March 2025	10.47%	Quarterly		-
				<u>3,292,339</u>	<u>2,853,700</u>

(c) The bonds were issued at par with no discount and they are redeemable at par on their respective due dates. Based on all these facts, management is of the opinion that the fair values of these bonds are equal to their face values.

	2022	2021
	N'000	N'000
(d) Fixed deposits and Treasury bills		
Balance at the beginning of the year	768,609	1,066,430
Additions during the year	182,725	266,763
Liquidation during the year	(837,560)	(880,521)
Interest earned (Note 33)	18,830	323,664
Interest earned on treasury for annuity	6,987	-
Allowance for credit losses (Note 4.3(e))	(19)	(7,727)
Balance at the end of the year	<u>139,572</u>	<u>768,609</u>

	Fixed deposits and Treasury		
	Bond	bills	Total
	N'000	N'000	N'000
(e) Allowance for credit losses on financial assets at amortised cost:			
At 1 January 2021	(5,770)	(5,830)	(11,600)
Movement during the year (Note 38)	786	(1,897)	(1,111)
At 31 December 2021	<u>(4,984)</u>	<u>(7,727)</u>	<u>(12,711)</u>
Movement during the year (Note 38)	2,702	7,708	10,410
At 31 December 2022	<u>(2,282)</u>	<u>(19)</u>	<u>(2,301)</u>

	2022	2021
	N'000	N'000
5 Trade Receivables		
Amount due from Insurance Brokers	320,695	95,607
Receivable from Coinsurance companies	-	135,331
Receivable from reinsurance companies	127,122	-
	<u>447,817</u>	<u>230,938</u>

	N'000	N'000
(a) Analysis of Trade Receivables		
Current	447,817	230,938
Non-current	-	-
	<u>-</u>	<u>-</u>

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

(c) Trade receivables are receivables from insurance contracts as at the year end from brokers, Co-insurers and Reinsurers. The receivables have been collected subsequent to the year ended 31 December 2022.

	N'000	N'000
6 Reinsurance Assets		
Reinsurance share of UPR (Note 6.1)	812,071	513,338
Reinsurance share of IBNR (Note 6.2)	723,813	848,980
Reinsurance share of Outstanding Claim recoverable (Note 6.3)	835,214	1,016,989
	<u>2,371,098</u>	<u>2,379,307</u>
Receivable from Reinsurance Brokers (Note 6.3(c))	-	115,263
	<u>2,371,098</u>	<u>2,494,570</u>

Current	2,371,098	2,494,570
Non-current	-	-
	<u>-</u>	<u>-</u>

	N'000	N'000
6.1 Reinsurance share of UPR		
Balance at the beginning of the year	513,338	469,562
Reinsurance cost for the year (Note 29)	4,214,836	4,430,582
Movement during the year (Note 29)	(3,916,103)	(4,386,806)
Balance at the end of year	<u>812,071</u>	<u>513,338</u>

	2022 N'000	2021 N'000
6.2 Reinsurance share of IBNR		
Balance at the beginning of the year	848,980	1,053,836
Movement during the year (Note 31(c))	(125,167)	(204,856)
Balance at the end of year	<u>723,813</u>	<u>848,980</u>
6.3 Reinsurance share of Outstanding Claim recoverable		
Balance at the beginning of the year	1,016,989	1,397,095
Movement during the year (Note 31(c))	(181,775)	(380,106)
Balance at the end of year	<u>835,214</u>	<u>1,016,989</u>
(a) Breakdown of Reinsurance assets:		
Prepaid reinsurance assets	812,071	557,114
AURR	-	-
Total prepaid reinsurance assets	<u>812,071</u>	<u>557,114</u>
Outstanding claims recoverable	835,214	636,883
IBNR	<u>723,813</u>	<u>644,124</u>
Total Outstanding claims	<u>1,559,027</u>	<u>1,281,007</u>
Total Reinsurance assets	<u>2,371,098</u>	<u>1,838,121</u>
(b) There were no indicators of impairment for reinsurance assets. Therefore, no impairment allowance is required in respect of these assets. The carrying amounts disclosed above is in respect of the reinsurance contracts which approximate the fair value at the reporting date.		
(c) Receivable from Reinsurance Brokers		
Balance at the beginning of the year	115,263	-
Movement during the year	(115,263)	115,263
Balance at the end of year	<u>-</u>	<u>115,263</u>
Receivable from Reinsurance Brokers represents reinsurance share of claims paid by the Company as at the end of the year.		
(d) Age Analysis of due from Rensurance Brokers		
No of days		
0 - 30 days	-	115,263
31 -60 days	-	-
	<u>-</u>	<u>115,263</u>
7 Deferred acquisition costs		
Balance at the beginning of the year	331,594	395,982
Commission paid during the year (Note 32(a))	1,864,855	1,549,452
Total Commission paid during the year	<u>2,196,449</u>	<u>1,945,434</u>
Amortised acquisition cost during the year (Note 32(a))	(1,752,182)	(1,613,840)
Balance at the end of the year (Note 7(a))	<u>444,267</u>	<u>331,594</u>
(a) Analysis of deferred acquisition per class:		
Fire	65,671	68,336
Accident	49,903	7,235
Motor vehicle	72,214	33,985
Aviation	2,580	32,435
Oil & Gas	12,623	2,621
Marine	11,616	8,212
Bond	46,148	22,034
Engineering	80,781	46,267
Group Life	102,731	110,469
	<u>444,267</u>	<u>331,594</u>
Current	444,267	331,594
Non-current	<u>-</u>	<u>-</u>

	2022 N'000	2021 N'000
8 Other receivables and prepayments		
Prepaid rent (Note 8(a))	64,128	13,756
Staff Loan (Note 8(b))	1,500	37,702
Policy Loan	9,053	11,143
Due from Media View Limited (Note 8(f))	232,889	232,889
Deposit for Land	30,000	30,000
Stock Brokers' current accounts	24,355	21,827
Other receivables (Note 8(c))	83,253	98,335
	<u>445,178</u>	<u>445,652</u>
Reclassification to property, plant and equipment	(232,889)	-
Impairment of other assets (Note 8(e))	(3,629)	(145,639)
	<u>208,660</u>	<u>300,013</u>
	N'000	N'000
Current	(20,600)	212,763
Non-Current	229,260	87,250
	<u>208,660</u>	<u>300,013</u>
(a) Prepaid rent	N'000	N'000
Balance at the beginning of the year	13,756	10,260
Rent paid during the year	75,187	26,876
Amortised rent during the year (Note 37(b))	(24,815)	(23,380)
Balance at the end of the year	<u>64,128</u>	<u>13,756</u>
(b) Staff loans	N'000	N'000
Balance at the beginning of the year	42,059	40,289
Additions during the year	40,000	18,272
Repayment during the year	(80,559)	(16,502)
Balance at the end of the year	1,500	42,059
Expected credit loss (Note 8(d))	-	(4,357)
	<u>1,500</u>	<u>37,702</u>
(c) Other receivables	N'000	N'000
Sundry debtors	1,000	39,235
Advance payment to vendors	-	17,820
Interest receivables	42,342	6,454
LASACO Holding expenses	-	21,500
Capital express assurance	570	
SUBEB/LG fund	39,538	
Share issue expenses	-	13,523
Expected credit loss (Note 8(g))	(197)	(197)
	<u>83,253</u>	<u>98,335</u>
(d) Expected credit loss on staff loans	N'000	N'000
Balance at the beginning of the year	4,357	27
Allowance of credit loss during the year (Note 38)	(4,357)	4,330
Balance at the end of the year	<u>-</u>	<u>4,357</u>
(e) Expected credit loss on other assets	N'000	N'000
Balance at the beginning of the year	145,639	99,061
(Write back)/ allowance of credit loss during the year	(142,010)	46,578
Balance at the end of the year	<u>3,629</u>	<u>145,639</u>
(f) Amount due from Media View Ltd. represent the outstanding balance of the amount invested in a project with Media View Ltd to build Bill Board. With effect from 1st May, 2022 the full ownership and management of the Bill Board was transferred to LASACO Assurance Plc.		
(g) Expected credit loss on other receivables	N'000	N'000
Balance at the beginning of the year	197	197
Allowance of credit loss during the year (Note 38)	-	-
Balance at the end of the year	<u>197</u>	<u>197</u>

		2022		2021	
		N'000		N'000	
9 Investment Properties					
	Balance at the beginning of the year	3,604,045		3,192,700	
	Additions during the year	92,893		5,175	
	Fair value gain (Note 34)	703,904		406,170	
	Balance at the end of the year	<u>4,400,842</u>		<u>3,604,045</u>	
(a) Carrying amount of investment properties	Status of Title	Balance at the beginning of the year	Additions	Fair value changes	Carrying amount
		N'000	N'000	N'000	N'000
Building At Custom Street Kakawa/Marina CBD Lagos Island	Certificate of Occupancy	1,882,000	88,893	229,107	2,200,000
Plot A1, Block G, CBD CIPM Road Alausa Lagos	Perfected	1,141,000	-	428,000	1,569,000
2 Plots of Land at Aponloju Close Off Engr. Adetoro Road Lekki (Ojomu Family Land)	Deed of Assignment	50,000	-	10,000	60,000
Block 8 Plot 2 & 3 River View Devt Scheme li Isheri, Ogun State	Deed of Assignment	40,000	-	-	40,000
Landed Property At Chume Nwosu Street, Off Badore Ajah, Lagos	Deed of Assignment	40,000	-	-	40,000
3 Plots Of Land At Okun Alfa Beach, Lekki Peninsula, Lekki Phase 1	Deed of Assignment	72,000	4,000	(1,000)	75,000
Block 24, Flats 1, 2 & 5 MKO Abiola Gardens, Alausa Ikeja, Lagos	LSDDC Letter of Allocation	105,000	-	3,000	108,000
Plot 122, Association Avenue, Dolphin Estate, Ikoyi, Lagos	Title Deed	100,000	-	5,000	105,000
4 Plots Of Land And 5 Blocks Of Flat At Next Estate, Mowe Ogun State	Deed of Assignment	60,045	-	23,797	83,842
Flat 1, 2, 3, 4, 7 & 8 Cluster 2 Choice Estate Abijo, GRA Ibeju Lekki, Lagos	Letter of Allocation	114,000	-	6,000	120,000
		<u>3,604,045</u>	<u>92,893</u>	<u>703,904</u>	<u>4,400,842</u>

- (b) Investment properties are held at fair value which has been determined based on valuations performed by independent valuation experts, Fola Oyekan & Associates and Oletubo & Co (Estate Surveyors & Valuers) as at 31 December 2022. The Valuers Fola Oyekan and Oletubo are registered with Financial Reporting Council of Nigeria with registration Number FRC/2012/NIESV/0000000450 and FRC/2013/NIESV/0000001693 respectively.
- (c) The valuers are the industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between knowledgeable, willing buyers and knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with standards issued by International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the statement of comprehensive income.
- (d) This is an investment in land and building held primarily for generating income or capital appreciation and occupied substantially for use in the operations of the Company. This is carried in the statement of financial position at their market value.
- (e) Additions to investment properties during the year ended 31 December 2022 relates to an intergrity test and remedial work performed on building at custom street Kakawa Lagos and construction of fence land on Okun Alfa Beach, Lekki Peninsula, Lekki Phase 1

	2022 N'000	2021 N'000
10 Investment in Subsidiaries		
LASACO Properties Ltd	318,655	-
LASACO Trading and Investment Ltd	319,655	-
	<u>638,310</u>	<u>-</u>

LASACO Assurance Plc owned approximately 100 percent holdings in LASACO Properties Limited. The subsidiary is yet to fully commenced operations. The sum of NGN319million represents the capital injected into the Company by LASACO Assurance Plc.

LASACO Assurance Plc owned approximately 90 percent holdings in LASACO Trading and Investment Limited. The subsidiary is yet to fully commenced operations. The sum of NGN320million represents the capital injected into the Company by LASACO Assurance Plc.

	N'000	N'000
11 Statutory deposit		
Non life Business	320,150	320,150
Life Business	215,000	215,000
	<u>535,150</u>	<u>535,150</u>
Current	-	-
Non-Current	<u>535,150</u>	<u>535,150</u>

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9(1) and Section 10(3) of the Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at amortised cost.

	N'000	N'000
12 Intangible asset		
Cost		
At 1 January	14,128	14,128
Addition	106,270	-
31 December	<u>120,398</u>	<u>14,128</u>
Amortisation		
At 1 January	14,109	13,609
Amortisation during the year	19	500
31 December	<u>14,128</u>	<u>14,109</u>
Carrying amount:		
31 December	<u>106,270</u>	<u>19</u>

The existing intangible asset of the Company was a software named 'IES' used in posting the business transactions of the Company. The additions to intangible asset of the Company was the purchase of IFRS 17 software. The cost is amortized over the period of three years which is in line with the Company's policy.

13 Property, plant and equipment

Cost/Valuation	Land	Building	Furniture fittings & Equipment	Motor Vehicles	Total
<u>Cost</u>	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	205,997	1,003,000	863,313	1,135,702	3,208,012
Additions	-	41,528	77,985	183,000	302,513
Reclassification	-	-	-	-	-
Disposals	-	-	(16,701)	(79,935)	(96,636)
Revaluation surplus/(loss) (Note 26(a))	36,243	5,472	-	-	41,715
At 31 December 2021	242,240	1,050,000	924,597	1,238,767	3,455,604
At 1 January 2022	242,240	1,050,000	924,597	1,238,767	3,455,604
Additions	-	72,784	97,633	876,830	1,047,247
Disposals	-	-	-	(204,215)	(204,215)
Reclassification from other receivables (Note 8 & 13(v))	-	-	232,889	-	232,889
Revaluation surplus (Note 26(a))	2,160	198,169	-	-	200,329
At 31 December 2022	244,400	1,320,953	1,255,119	1,911,382	4,731,854
<u>Accumulated depreciation</u>					
At 1 January 2021	-	-	480,467	653,225	1,133,692
Charge for the year	-	20,286	125,769	158,018	304,073
Disposals	-	-	(16,169)	(63,489)	(79,658)
Asset revaluation (Note 26(a))	-	(20,286)	-	-	(20,286)
At 31 December 2021	-	-	590,067	747,754	1,337,821
At 1 January 2022	-	-	590,067	747,754	1,337,821
Charge for the year	-	22,406	119,154	183,246	324,806
Disposals	-	-	-	(188,200)	(188,200)
Asset revaluation (Note 26(a))	-	(22,406)	-	-	(22,406)
At 31 December 2022	-	-	709,221	742,800	1,452,021
<u>Carrying amounts at:</u>					
31 December 2022	244,400	1,320,953	545,898	1,168,582	3,279,833
31 December 2021	242,240	1,050,000	334,530	491,013	2,117,783

- (i) Land and building were professionally valued as at 31 December 2022 by Messrs Fola Oyekan & Associates (Estate Surveyors and Valuers) under the signature of ESV Eniola Adediran FRC/2012/NIESV/00000000450 on the basis of their open market values. The revised value of the land and building were N244,400,000 and N1,320,953,000 respectively resulting in a gain on revaluation of 222,735,000 which has been credited to the property, plant and equipment revaluation account.

- (ii) The re-valued property is the Company's Head Office building located at Plot 16, Acme Road, Ogba Industrial Estate, Ikeja, Lagos.
- (iii) The Company had no capital commitments as at the statement of financial position date (2021: Nil). As at the reporting date land is being carried at revalued amount.
- (iv) No impairment loss was recognised on the Company's property plant and equipment at the end of the year (31 December 2021: Nil).
- (v) Reclassification from other receivables relates to billboard paid for in 2018, which the company took full procession in 2022

	2022	2021
	N'000	N'000
14 Insurance Contract Liabilities		
General Business(Note 14.1)	4,630,929	3,567,734
Life Business(Note 14.2)	3,309,297	4,586,402
	<u>7,940,226</u>	<u>8,154,136</u>

The firm Ernst & Young, an actuarial service organisation did the valuation of Insurance Contract Liabilities for the reporting year. The actuarial valuation reports were authorised by Mr. Okpaise Olurotimi, a professional actuary registered with the Financial Reporting Council of Nigeria with registration number FRC/2012/NAS/00000000738.

	N'000	N'000
14.1 General Business insurance contract liabilities		
Outstanding claims provisions(Note 14.1(a))	1,335,077	1,037,328
Claims incurred but not reported(IBNR) (Note 14.1(b))	1,138,531	1,017,545
Unearned premium(Note 14.1(c))	2,157,321	1,512,861
	<u>4,630,929</u>	<u>3,567,734</u>

	N'000	N'000
(a) Outstanding claims provisions		
<i>Movement in outstanding claims provision</i>		
Balance at the beginning of the year	1,037,328	1,623,216
Claims incurred in the year	2,035,055	4,054,936
Claims paid during the year	(1,737,306)	(4,640,824)
Balance at the end of the year	<u>1,335,077</u>	<u>1,037,328</u>

	N'000	N'000
(b) Claims incurred but not reported(IBNR)		
Movement in IBNR provision		
Balance at the beginning of the year	1,017,545	905,661
Movement during the year	120,986	111,884
Balance at the end of the year	<u>1,138,531</u>	<u>1,017,545</u>

	1 January		31 December
	2022	Movement	2022
	N'000	N'000	N'000
(c) Unearned premium -General Business			
Fire	183,028	140,219	323,247
Accident	183,862	66,695	250,557
Motor vehicle	550,366	24,594	574,960
Marine	45,179	12,103	57,282
Aviation	48,981	(26,520)	22,461
Bond	243,283	(2,286)	240,997
Engineering	153,154	358,330	511,484
Oil and gas	105,008	71,325	176,333
	<u>1,512,861</u>	<u>644,460</u>	<u>2,157,321</u>

These provisions represent the liability for general business insurance contracts for which the Company's obligations have not expired at period end. The unearned premium provision relates to the casualty insurance contracts for which the Company expects to pay claims in excess of the related unearned premium provision.

(d) Age Analysis of outstanding claims

The Age Analysis of Outstanding Claims for Non Life in thousands of Nigerian Naira as at 31 December 2022 is as follows:

	Pending substantiating documents N'000	Related to awaiting adjusters' report N'000	Number of outstanding claims pending substantiating documents Number	Number of outstanding claims awaiting adjusters' report Number	2022 'Total N'000	2021 'Total N'000
0 - 90 days	455,986	154,780	230	38	610,766	282,049
91 - 180 days	270,447	92,450	92	14	362,897	149,024
181 - 270 days	260,445	-	45	8	260,445	519,254
270 - 365 days	75,489	-	12	10	75,489	42,933
365 days and above	25,480	-	14	4	25,480	44,582
	<u>1,087,847</u>	<u>247,230</u>	<u>393</u>	<u>74</u>	<u>1,335,077</u>	<u>1,037,842</u>

There are total number of 425 outstanding claims for Non Life as at the year ended 31 December 2022. 375 outstanding claims are pending substantiating documents while 50 outstanding claims are awaiting adjusters' report.

14.2 Life Business- Insurance contract liabilities

	2022 N'000	2021 N'000
Group Life Fund(Note 14.2(a))	2,501,095	3,716,668
Individual Life Fund (Note 14.2(d))	57,389	69,931
	<u>2,558,484</u>	<u>3,786,599</u>
Annuity Life Fund (Note 14.2(e))	750,813	799,803
	<u>3,309,297</u>	<u>4,586,402</u>

(a) Group Life Fund

	N'000	N'000
Unearned premium	787,525	879,494
Additional unexpired risk reserve	-	20,984
Total unearned premium	<u>787,525</u>	<u>900,478</u>
Outstanding claims	788,177	1,317,187
Incurred But not Reported (IBNR)	925,393	1,499,003
	<u>1,713,570</u>	<u>2,816,190</u>
	<u>2,501,095</u>	<u>3,716,668</u>

(b) Movement in Group Life Fund

	Unearned premium N'000	Outstanding claims N'000	IBNR N'000	Total N'000
Balance at the beginning of the year	900,479	1,317,187	1,499,003	3,716,669
Movement during the year	(112,954)	(529,010)	(573,610)	(1,215,574)
Balance at the end of the year	<u>787,525</u>	<u>788,177</u>	<u>925,393</u>	<u>2,501,095</u>

(c) The Age Analysis of Outstanding Claims for Life in thousands of Nigerian Naira as at 31 December 2022 is as follows:

	Pending substantiating documents N'000	Related to awaiting adjusters' report N'000	Number of outstanding claims pending substantiating documents Number	outstanding claims awaiting adjusters' report Number	2022 'Total N'000	2021 'Total N'000
0 - 90 days	356,157	-	142	-	356,157	388,787
91 - 180 days	112,450	-	75	-	112,450	225,780
181 - 270 days	205,460	-	78	-	205,460	311,400
270 - 365 days	65,445	-	35	-	65,445	72,450
365 days and above	48,665	-	12	-	48,665	35,700
	<u>788,177</u>	<u>-</u>	<u>342</u>	<u>-</u>	<u>788,177</u>	<u>1,034,117</u>

There are total number of 342 outstanding claims for Life business as at the year ended 31 December 2022. All the 342 outstanding claims are pending substantiating documents.

(d) Individual Life Fund	2022 N'000	2021 N'000
Balance at the beginning of the year	69,931	79,921
Movement during the year	(12,542)	(9,990)
Balance at the end of the year	<u>57,389</u>	<u>69,931</u>
(e) Annuity Fund	N'000	N'000
Balance at the beginning of the year	799,803	1,088,226
Changes in annuity fund	(48,990)	(288,423)
Balance at the end of the year	<u>750,813</u>	<u>799,803</u>
	N'000	N'000
Current Annuity	750,813	799,803
Deferred Annuity	-	-
15 Investment Contract Liabilities	N'000	N'000
Balance at the beginning of the year	1,076,506	926,561
Deposit during the year	345,151	324,249
Withdrawal during the year	(403,971)	(319,303)
	<u>1,017,686</u>	<u>931,507</u>
Guaranteed interest (Note 36)	1,886	17,938
Actuarial adjustment on investment contract liabilities (Note 36)	47,722	127,061
Balance at the end of the year	<u>1,067,294</u>	<u>1,076,506</u>
	N'000	N'000
Current	1,067,294	1,076,506
Non-current	-	-
16 Trade Payables	N'000	N'000
Reinsurance premium payable	215,105	44,947
Commission payables	53,450	-
Co-Insurance premium payable	107,911	13,742
Premium Deposit (Note 16(b))	1,912,564	593,326
Deferred Commission (Note 16(c) and Note 30(a))	25,482	123,089
	<u>2,314,512</u>	<u>775,104</u>
	N'000	N'000
Current	2,314,512	775,104
Non-current	-	-

(a) Trade payable represents premium payable to both Coinsurance and Reinsurance companies. The carrying amounts disclosed above approximate fair value at the reporting date. The carrying amount disclosed above reasonably approximates fair value at the reporting date. All amounts are payable within one year.

(b) Premium deposit represents payment received in advance from clients in respect of future insurance contracts.

	2022	2021
	N'000	N'000
(c) Deferred commission income		
General Accident	748	9,938
Engineering	188	20,791
Fire	1,880	22,546
Marine	-	5,468
Motor	57	7,681
Bond	188	29,804
Oil and Gas	7,095	9,405
Group Life	15,326	17,456
	<u>25,482</u>	<u>123,089</u>

Deferred commission relates to the unearned portion of commission income from reinsurance transactions.

	N'000	N'000
17 Other Payables and Accruals		
17.1 Accruals (Note 17(a))	687,117	244,461
Unclaimed Dividend payable (Note 17(b))	518,429	486,976
Other creditors (Note 17(c))	52,318	78,573
SUBEB/LG managed fund	59,308	-
Management contribution to share issue (Note 17(d))	58,090	-
Payable on Cooperative scheme	10,864	18,860
	<u>1,386,126</u>	<u>828,870</u>

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

	N'000	N'000
(a) Accruals		
Audit fees	6,614	7,800
Bonus	139,086	-
Payable to staff	331,428	-
NAICOM Levy	136,793	132,528
Other Consultancy fees	2,273	10,566
Payable for acquisition of Motor Vehicle	5,758	83,000
Payable for Corporate gifts	65,165	10,567
	<u>687,117</u>	<u>244,461</u>

(b) Unclaimed Dividend Payable

This represents Unclaimed Dividend returned to the Company by Apel Capital & Trust Limited for investment as required by Securities and Exchange Commission.

	2022	2021
	N'000	N'000
Balance at the beginning of the year	486,976	268,626
Refund from Registrar	31,453	218,350
Balance at the end of the year	<u>518,429</u>	<u>486,976</u>

(c) Other creditors include the following:

	N'000	N'000
Paye-As-You-Earn (PAYE)	17,871	11,451
Withholding tax	8,600	10,304
Value added tax	2,229	775
National Housing Fund	10,893	6,982
Pension payable	11,548	13,990
Others	1,177	35,071
	<u>52,318</u>	<u>78,573</u>

(d) Management contribution to share issue relates to amount contributed by staff from the position of principal manager above for purchase of shares in the Company.

18 Retirement Benefit Obligations

The Company has a defined benefit gratuity scheme covering its entire employees who have spent a minimum number of five years continuous service. The scheme is funded, therefore, no contribution is made to any fund.

In 2021 financial year, the defined benefit scheme was discontinued via a resolution passed by the Board of Directors on 23 September 2021. All qualifying staff were to be paid the accrued benefit due to them from the commencement of the scheme to the date it was discontinued.

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

	2022 N'000	2021 N'000
Service cost	766,013	145,702
Interest cost on benefit obligations	-	114,265
Total gratuity (Note 37(a))	<u>766,013</u>	<u>259,967</u>

(b) The amounts recognised in the statement of financial position at the reporting date representing the present value of the defined benefit obligations is as follows:

	N'000	N'000
Total defined benefit obligations	<u>-</u>	<u>1,456,211</u>

(c) **Reconciliation of change in benefit obligation**

The movement in the defined benefit obligations is as follows:

	N'000	N'000
Balance at the beginning of the year	1,456,211	1,606,020
Service cost	766,013	145,702
Interest cost	-	114,265
Benefits paid	(2,222,224)	(116,393)
Amount recognised in other comprehensive income (Note 18(d))	-	(293,383)
Balance at the end of the year	<u>-</u>	<u>1,456,211</u>

	N'000	N'000
Current	-	-
Non - Current	<u>-</u>	<u>1,456,211</u>

(d) **Statement of other comprehensive income (OCI)**

Actuarial gain on liability during the year due to:

	N'000	N'000
- Changes in assumptions	-	(114,442)
- Experience adjustment	-	(178,941)
Amount recognized in other comprehensive income (Note 26(b))	<u>-</u>	<u>(293,383)</u>

19 Taxation

(a) **Per Statement of Financial Position**

	N'000	N'000
Balance at the beginning of the year	253,427	388,993
Income tax for the year	46,353	18,454
Information Technology Development Levy (Note 19(b))	15,253	2,799
Police Fund Levy	77	14
Payment during the year	(36,861)	(156,833)
Balance at the end of the year	<u>278,249</u>	<u>253,427</u>

(b) **Per Income Statement**

	N'000	N'000
Income tax	-	-
Minimum tax	46,353	18,454
Education Tax	-	-
Police Fund Levy	77	14
Deferred tax (Note 20 (i))	-	-
	<u>46,430</u>	<u>18,468</u>
Information Technology Levy	15,253	2,799
	<u>61,683</u>	<u>21,267</u>

(c) Profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2022 N'000	2021 N'000
Profit before income tax	1,540,577	282,651
Tax calculated at the corporate tax rate	462,173	84,795
Effect of:		
Effect of other income not exempted from taxation	(2,246,624)	(2,468,566)
Effect of expenses that are not deductible in determining taxation profit	1,418,263	2,227,863
Effect of other expenses that are tax deductible in determining taxable profit	-	-
Total loss as per income tax computations	130,441	152,317
Effect of Information technology tax levy	15,253	2,799
National Information Tech Dev Fund Levy paid	(840)	(2,069)
Fiscal loss in the year	233,950	-
Minimum tax	46,353	18,454
Balancing Charge	2,637	5,660
Effect of Capital allowance on income tax	-	-
Effect of Deferred tax	-	-
Police Fund Levy	77	14
Total income tax expense in income statement	<u>61,683</u>	<u>21,267</u>
Effective tax rate	0.04	0.08

(i) The tax rate used for 2022 and 2021 reconciliation above is the corporate tax rate of 30% and 2.5% for tertiary education tax payable by corporate entities in Nigeria on taxable profits under tax laws in the Country, for the year ended 31 December 2022.

(ii) Tax charge for the year is based on minimum tax determined in accordance with the provisions of Companies Income Tax Act (CITA), CAP C21 LFN 2004 (as amended).

(d) Information Technology Development Levy

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

20 Deferred Taxation

	N'000	N'000
i) Deferred tax Liabilities		
Balance at the beginning of the year	105,310	99,110
Charge for the year (Note 19(b))	-	-
Assets revaluation reserve (Note 26(a))	22,274	6,200
Balance at the end of the year	<u>127,584</u>	<u>105,310</u>

As a result of accelerated rate of capital allowance, the carrying amount of the Company's property, plant and equipment at the statement of financial position date exceeded their corresponding tax written down value by N1,703,197,000(2021: N518,357,926) resulting to deferred tax liabilities of N501,170,000 (2021: N155,507,378) and deferred tax assets of N2,508,545,000 (2021: N1,847,290,304) resulting from capital allowance and fiscal loss. Movement of deferred tax assets of N2,007,375,000 (2021: N1,683,691,000) was not recognised in the financial statements because there is no probability that the Company will be able to utilise it in the foreseeable future. However, the deferred tax on revaluation surplus/deficit on property, plant and equipment was Nil because the Company did not revalue its property, plant and equipment during the year ended 31 December 2022.

	Opening balance as at 1 January 2022	Recognized in net income	Recognized in OCI	Recognised directly in equity	Closing Balance at 31 December 2022
	N'000	N'000	N'000	N'000	N'000
Deferred Tax Liabilities					
Deferred tax on revaluation surplus on property, plant and equipment	105,310				105,310
Revaluation surplus on PPE			22,274		22,274
Difference between Carrying Value of PPE and TWDV		405,112			405,112
Unrealised Foreign Exchange Gains Total	-	133,776			133,776
	105,310	538,888	22,274	-	666,472
Deferred tax assets					
Loss on valuation of investment properties					-
Unutilised capital allowances		617,520			617,520
Increase in gratuity provision					-
Fiscal Losses C/fwd		1,928,743			1,928,743
Sub total		2,546,263	-	-	2,546,263
Deferred tax liabilities	105,310	(2,007,375)	22,274	-	(1,879,791)

21 Share Capital	2022	2021
Authorised	000	000
Value		
Ordinary shares of 50k each	<u>N10,000,000</u>	<u>N10,000,000</u>
Number		
Ordinary shares of 50k each	<u>20,000,000</u>	<u>20,000,000</u>
(a) Issued and fully paid	000	000
Value		
Ordinary shares of 50k each	<u>N916,793</u>	<u>N916,793</u>
Number		
Ordinary shares of 50k each	<u>1,833,586</u>	<u>1,833,586</u>
Balance at the beginning of the year	916,793	3,667,172
Transfer to share premium upon share reconstruction (Note 22)	-	(2,750,379)
Balance at the end of the year	<u>916,793</u>	<u>916,793</u>
22 Share Premium	N'000	N'000
Balance at the beginning of the year	3,690,991	940,612
Transfer from share capital upon share reconstruction (Note 21(a))	-	2,750,379
Balance at the end of the year	<u>3,690,991</u>	<u>3,690,991</u>

Premium from the issue of shares are reported in share premium.

	2022 N'000	2021 N'000
22.1 Deposit for shares		
Balance at the beginning of the year	3,500,000	400,000
Additions during the year	-	3,100,000
Balance at the end of the year	<u>3,500,000</u>	<u>3,500,000</u>

The Company received a total sum of N3.5billion from her core Shareholders, Lagos State Government, towards the recapitalisation plan of the Company. N400million of the deposit for share was received in 2020 while the balance of N3.1billion was received on 4 January 2021. This was included in the equity as a result of the commitment by the Lagos State Government that the deposit is strictly for the purchase of shares.

	2022 N'000	2021 N'000
23 Statutory contingency reserve		
Balance at the beginning of the year	2,331,577	2,078,397
Transfer from revenue reserve (Note 24)	300,439	253,180
Balance at the end of the year	<u>2,632,016</u>	<u>2,331,577</u>

Statutory contingency reserve is calculated in accordance with the Insurance Act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of profits for general business and 1% of total premiums or 10% of profits for life business. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

During the current year, this is calculated based on 3% and 1% of the gross premium for general and life businesses respectively.

	2022 N'000	2021 N'000
24 Retained earnings		
Balance at the beginning of the year	669,705	844,860
Profit for the year	1,478,894	261,384
Transferred from Reserve on actuarial valuation of gratuity (Note 26(b))	(293,524)	-
Transfer to contingency reserve (Note 23)	(300,439)	(253,180)
Dividend paid	-	(183,359)
Balance at the end of the year	<u>1,554,636</u>	<u>669,705</u>

(a) The Directors did not recommend dividend for the financial year ended 31 December 2022.

	2022 N'000	2021 N'000
25 Fair value through other comprehensive income reserve		
Balance at the beginning of the year	437,340	458,098
Fair value loss during the year (Note 4.2(b))	-	(20,758)
Balance at the end of the year	<u>437,340</u>	<u>437,340</u>

- (a) The fair value reserve shows the effect from the fair value measurement of financial instruments of the category available for sale. Any gains or losses are not recognised in the comprehensive income statement until the asset has been sold or impaired.

	2022	2021
	N'000	N'000
26(a) Asset revaluation reserve		
Balance at the beginning of the year	55,801	-
Accumulated depreciation (Note 13)	22,406	20,286
Revaluation surplus/(loss) (Note 13)	200,329	41,715
Revaluation surplus/(loss)	<u>278,536</u>	<u>62,001</u>
Transferred to deferred tax (Note 20)	<u>(22,274)</u>	<u>(6,200)</u>
Balance at the end of the year	<u><u>256,262</u></u>	<u><u>55,801</u></u>

- (i) Revaluation surplus was N223million (2021:N62million) on its property plant and equipment during the year ended 31 December 2022.

26(b) Reserve on actuarial valuation of gratuity

	N'000	N'000
Balance at the beginning of the year	293,524	586,907
Actuarial gain (Note 18(d))	-	(293,383)
Transferred to retained earnings (Note 24)	<u>(293,524)</u>	<u>-</u>
Balance at the end of the year	<u><u>-</u></u>	<u><u>293,524</u></u>

	Non Life Business								Life Business			2022 TOTAL N'000	2021 TOTAL N'000
	Aviation N'000	Bonds N'000	Engineering N'000	Fire N'000	General Accident N'000	Marine N'000	Motor Accident N'000	Oil & Gas N'000	Group Life N'000	Individual life N'000	Annuity N'000		
27 Gross premium income													
Premium written	228,610	516,577	972,329	1,142,391	1,615,611	391,036	1,564,171	1,313,657	6,142,585	21,509	-	13,908,476	13,282,516
Movements in unexpired risks (Note 28)	26,519	2,285	(358,329)	(140,220)	(66,695)	(12,103)	(24,592)	(71,325)	112,953	-	-	(531,507)	(709,185)
Gross premium income	255,129	518,862	614,000	1,002,171	1,548,916	378,933	1,539,579	1,242,332	6,255,538	21,509	-	13,376,969	12,573,331
28 Movement in Unexpired risks													
Unexpired risk At 1 January	48,980	243,283	153,154	183,027	183,862	45,179	550,368	105,008	900,478	-	-	2,413,339	1,704,154
Unexpired risk At 31 December	(22,461)	(240,998)	(511,483)	(323,247)	(250,557)	(57,282)	(574,960)	(176,333)	(787,525)	-	-	(2,944,846)	(2,413,339)
Movement during the year	26,519	2,285	(358,329)	(140,220)	(66,695)	(12,103)	(24,592)	(71,325)	112,953	-	-	(531,507)	(709,185)
29 Reinsurance premium expenses													
Paid to reinsurance during the year	-	235,268	393,709	590,208	375,669	637,576	74,831	211,378	1,696,197	-	-	4,214,836	4,430,582
Changes in reinsurer's share of UPR	-	4,317	(99,654)	(74,531)	(76,272)	(35,850)	9,319	14,477	(40,539)	-	-	(298,733)	(43,776)
	-	239,585	294,055	515,677	299,397	601,726	84,150	225,855	1,655,658	-	-	3,916,103	4,386,806

- (b) Reinsurance expenses of N4,214,836,000 was paid during the year, N310,775,282.56 was paid to the foreign insurers and N3,904,060,717.44 was paid to local insurers. In 2021 reinsurance expense stood at N4,430,582,000 (Foreign N1,406,709,785 - Local N3,023,872,215).

	2022 N'000	2021 N'000
30 Fees and commission income		
Fees income arising from Reinsurance contracts (Note 30(a))	1,132,864	1,083,076

(a) Movement in Fees and Commission income		
Deferred commission at the beginning of the year	123,089	96,007
Fees and Commission Income received during the year	1,035,257	1,110,158
Fees and Commission Income earned during the year (Note 30)	(1,132,864)	(1,083,076)
Deferred commission at the end of the year (Note 16)	25,482	123,089

- (b) Commission income on reinsurance premium is earned on premium ceded out, rate of which varies per product in line with the reinsurance agreement with respective reinsurers

	N'000	N'000
31 Claims Expenses		
Gross Claims paid (Note 31(a))	6,969,708	8,987,537
Decrease in outstanding claims (Notes 14.1(a) & 14.2(b))	(231,261)	(298,242)
Changes in IBNR (Notes 14.1(b) & 14.2(b))	(452,624)	(230,950)
Gross claims incurred during the year	6,285,823	8,458,345
Recoveries from Reinsurance (Note 31(c))	(2,538,600)	(4,090,574)
Net Claims expenses	3,747,223	4,367,771

(a) Claims Paid		
Classes	N'000	N'000
Motor	278,979	137,366
Marine	48,681	28,059
Aviation	32,750	1,129
Fire	897,662	3,514,561
General Accident	209,640	328,099
Oil and Gas	93,860	175,803
Engineering	175,734	426,285
Bond	-	29,522
Individual Life business	-	-
Group Life business	5,232,402	4,346,713
	6,969,708	8,987,537

- (b) Claims expenses consist of claims paid during the financial year together with the movement in the provision for outstanding claims.

(c) Recoveries from Reinsurance	N'000	N'000
Receipt from reinsurance during the period	2,845,542	4,675,536
Changes in Reinsurance share of IBNR (Note 6.2)	(125,167)	(204,856)
Changes in Reinsurance share of Outstanding Claims (Note 6.3)	(181,775)	(380,106)
	2,538,600	4,090,574

	2022	2021
	N'000	N'000
32 Underwriting Expenses		
Commission expenses (Note 32(a) and Note 7)	1,752,182	1,613,840
Maintenance expenses (Note 32(c))	2,051,879	1,878,797
	<u>3,804,061</u>	<u>3,492,637</u>
(a) Commission expenses	N'000	N'000
Commission paid during the year (Note 32(b) & Note 7)	1,864,855	1,549,452
Changes in deferred acquisition cost (Note 7)	(112,673)	64,388
Amortised acquisition cost (Note 7)	<u>1,752,182</u>	<u>1,613,840</u>
(b) Commission expenses		
The analysis of commission expenses by business class is as follows:	N'000	N'000
Fire	231,696	142,115
General Accident	340,399	240,909
Motor	196,682	171,485
Oil & Gas	97,324	40,654
Marine	78,080	59,295
Aviation	26,758	25,647
Bond	98,648	85,221
Engineering	148,388	67,933
Group Life	646,880	716,193
	<u>1,864,855</u>	<u>1,549,452</u>
(c) Maintenance expenses	N'000	N'000
Marketing expenses	1,677,161	1,220,251
Printing and stationery	-	109,415
Wages & salaries of Technical staff	139,085	352,757
Bond supervision fees	14,437	7,499
Superintendent fees	1,654	1,549
Tracking device	1,795	778
Engineering survey fees	45,687	18,706
Administrative charges	19,886	14,828
Life agency expenses	46,567	45,106
Annuity expenses	105,607	107,908
	<u>2,051,879</u>	<u>1,878,797</u>
(d) Underwriting expenses consist of acquisition and maintenance expenses which include commission and policy expenses, proportion of staff cost. Underwriting expenses for insurance contracts are recognised as expense when incurred.		
33 Investment Income	N'000	N'000
Dividend income	65,058	45,513
Interest from fixed deposit - annuity investments	51,501	16,804
Interest on bonds	208,650	250,129
Interest from statutory deposit	15,988	20,056
	<u>341,197</u>	<u>332,502</u>
Interest earned on fixed deposits (Note 3(a))	330,208	-
Interest earned on treasury bills (Note 4.3(d))	18,830	323,664
	<u>690,235</u>	<u>656,166</u>

	2022	2021
(a) Investment Income	N'000	N'000
Attributable to Annuity fund holders	51,501	62,332
Attributable to Policy holders	351,304	362,082
Attributable to Share holders	287,430	231,752
	<u>690,235</u>	<u>656,166</u>
34 Fair Value (loss)/gains		
Investment properties	N'000	N'000
Fair Value gain/(loss) (Note 9)	703,904	406,170
Fair Value through Profit or Loss:		
Fair value (loss)/gain (Note 4.1)	(20,829)	49,072
Fair value gain on financial assets	6,778	-
	<u>689,853</u>	<u>455,242</u>
35 Other Income	N'000	N'000
Profit on sale of property, plant and equipment (Note 39 & 40)	-	7,565
Foreign exchange gains (Note 40)	831,589	618,064
Rental Income	15,380	19,151
Other sundry income	4,054	196,438
	<u>851,023</u>	<u>841,218</u>
(a) The foreign exchange gains was as a result of the revaluation of the currency in 2022. The Company revalued its deposits and domiciliary account balances hence the exchange gain of N832million (2021 :N618million).		
36 Loss on investment contract liabilities	N'000	N'000
Investment income (Note 3(a))	25,450	55,540
Commission paid	-	(45,106)
Actuarial adjustment on Investment contract liabilities (Note 15)	(47,722)	(127,061)
Guaranteed interest (Note 15)	(1,886)	(17,938)
	<u>(24,158)</u>	<u>(134,565)</u>
37 Management Expenses	N'000	N'000
Employee benefit expenses (Note 37(a))	2,157,306	1,392,314
Other management expenses (Note 37(b))	788,682	827,725
Directors expenses (Note 40)	438,350	454,485
AGM expenses	35,989	28,850
Auditors' fees (Note 40)	14,300	14,300
Share issued expenses	13,523	-
Reconstruction expenses	7,850	32,860
Insurance levy	142,706	135,525
Loss on disposal of property plant and equipment (Note 39 & 40)	7,226	-
Amortisation (Note 12)	19	500
Depreciation (Note 13)	324,806	304,073
	<u>3,930,757</u>	<u>3,190,632</u>
(a) Employee benefit expenses	N'000	N'000
Salaries and Wages	1,217,891	988,524
Medical Expenses	22,771	24,787
Staff Training	42,146	10,281
Nigeria Social Insurance Trust Fund & ITF	22,099	24,372
Employers' Pension Contribution	86,386	84,383
	<u>1,391,293</u>	<u>1,132,347</u>
Gratuity (Note 18(a))	766,013	259,967
	<u>2,157,306</u>	<u>1,392,314</u>

	2022	2021
	N'000	N'000
(b) Other Management Expenses		
Travelling expenses	37,501	5,331
Asset maintenance	209,117	129,761
Levies and Subscriptions	64,090	69,115
Bank charges	45,982	33,405
Advertising	50,302	106,398
Office expenses	91,380	149,594
Professional fees	104,696	170,065
Office rent (Note 8(a))	24,815	23,380
Fines and Penalties	7,293	15,250
Other	153,506	125,426
	<u>788,682</u>	<u>827,725</u>
38 Allowance of expected credit losses	N'000	N'000
Write back/ (allowance) of credit losses - Cash (Note 3(b))	3,626	(365)
Write back/ (allowance) of credit losses - Fixed deposits and treasury bills (Note 4.3(e))	7,708	(1,897)
Write back of credit losses - Bonds (Note 4.3(e))	2,702	786
Write back/ (allowance) of credit losses - Staff loan (Note 8(d))	4,357	(4,330)
Allowance of credit losses - Other receivables (Note 8(f))	-	-
	<u>18,393</u>	<u>(5,806)</u>
39 Profit on disposal of Property, plant and Equipment	N'000	N'000
Cost (Note 13)	204,215	96,636
Accumulated depreciation (Note 13)	(188,200)	(79,658)
Carrying amount	<u>16,015</u>	<u>16,978</u>
Sales proceeds	8,789	24,543
Carrying amount (as above)	<u>(16,015)</u>	<u>(16,978)</u>
	<u>(7,226)</u>	<u>7,565</u>
40 Supplementary profit and loss information	N'000	N'000
(a) Profit before taxation is arrived at after charging:		
Amortisation of intangible asset (Note 12)	19	500
Depreciation of property, plant and equipment (Note 13)	324,806	304,073
Auditors' fees (Note 37)	14,300	14,300
Directors' expenses (Note 37)	438,350	454,485
	<u>438,350</u>	<u>454,485</u>
and after crediting/charging:	N'000	N'000
(Loss)/Profit on disposal of property, plant and equipment (Note 35 & Note 37)	(7,226)	7,565
Gain on investment properties (Note 34)	703,904	406,170
Foreign exchange gain (Note 35)	831,589	618,064
	<u>831,589</u>	<u>618,064</u>
(b) BDO Professional Services was appointed to carry out only the Statutory audit of financial statements of the Company.		
(c) Staff Costs		
The average number of persons employed (excluding Directors) in the financial year and staff costs were as follows:		
	Number	Number
Managerial	52	52
Senior	69	69
Junior	38	38
	<u>159</u>	<u>159</u>

(d) **Employees Remunerated at Higher Rates**

The number of employees in receipt of emoluments excluding allowance and pension within the following ranges were:

	2022	2021
N	Number	Number
500,001 - 1,000,000	12	10
1,000,001 - 2,000,000	35	33
2,000,001 - 3,000,000	27	60
3,000,001 - 4,000,000	28	25
4,000,001 - 5,000,000	20	14
5,000,001 - Above	30	17
	152	159

(e) **Chairman's and Directors' Emoluments**

i Aggregate emoluments of the directors were:

	N'000	N'000
Directors Fees	17,000	13,091
Executive compensation	155,925	180,532
Other directors expenses	265,425	260,862
	438,350	454,485

ii The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N	N	Number	Number
Below	- 10,000,000	-	-
10,000,001	- 20,000,000	5	5
20,000,001	and Above	3	3
		8	8

The Highest paid Director earned N64million in 2022 (2021:N64m)

	2022	2021
	N'000	N'000
41 Basic/Diluted earnings per ordinary share		
Basic/Diluted earnings per share is calculated by dividing the results attributable to shareholders by the weighted average number of ordinary shares in issue and ranking for dividend.		
Net profit attributable to ordinary shareholders for basic and diluted EPS	₦ 1,478,894	₦ 261,384
Weighted average number of ordinary shares for EPS	1,833,586	1,833,586
Basic Earnings Per Share (kobo)	80.7	14.3
Diluted Basic Earnings Per Share (kobo)	80.7	14.3

(a) There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and date of completion of these financial statements.

42 **Related party disclosures**

(a) Related parties include the Board of Directors, the Managing Director, Duputy Managing Director, Finance Director, close family members and companies which are controlled by these individuals

(b) **Transactions with key management personnel**

The Company's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family and entity over which control can be exercised. The key management personnel have been identified as the executive directors of the Company. Close members of family are those members who may be expected to influence or be influenced by that individual in their dealings with Lasaco Assurance Plc.

(c) Other related party	Premium N'000	Claims N'000	Relationship
Lagos State Government	2,831,164	1,567,398	Indirect shareholding

43 Cash flow from Operating activities	Notes	N'000	N'000
Operating profit before tax		1,540,577	282,651
Adjustment for non-operating items:			
Depreciation - Property, plant & equipment	13	324,806	304,073
Amortisation - Intangible assets	12	19	500
(Profit)/ loss on disposal of property and equipment	35	7,226	(7,565)
Fair value gain on investment properties	9	(703,904)	(406,170)
Fair value loss/ (gain) on quoted investment	34	20,829	(49,072)
Accrued interest capitalised on bonds	33	(208,650)	(250,129)
Interest earned on fixed deposits	33	(330,208)	-
Interest earned on treasury bills	33	(18,830)	(323,664)
Write back of expected credit losses	4.3(e)	2,301	12,711
Asset revaluation loss	26(a)	-	-
Service & Interest cost on retirement benefit	18(a)	766,013	259,967
Investment Income	33	(341,197)	(332,502)
Cash flow before changes in working capital		1,058,982	(509,200)
Changes in operating assets and liabilities			
(Increase)/decrease in amount due from Insurance Brokers		(241,026)	20,993
Decrease/(increase) in receivable from Coinsurance companies		135,331	(135,331)
Increase in receivable from reinsurance companies		(127,122)	-
Decrease in Reinsurance assets		123,472	425,923
(Increase)/decrease in Deferred acquisition cost		(112,673)	64,388
Decrease/(increase) in Other receivables and prepayments		91,353	(4,398)
Increase in Insurance contract liabilities		(213,910)	(118,420)
(Decrease)/increase in investment contract liabilities		(9,212)	149,945
Increase/(decrease) in Trade payables		1,539,408	(71,979)
Increase in Other payables		557,256	234,687
Net cash inflow from operating activities		2,801,859	56,608
Gratuity benefit to employees		(2,222,224)	(116,393)
Tax paid		(36,861)	(156,833)
Cash flow generated/(absorbed) in operating activities		542,774	(216,618)

44 **Capital Commitments**

The were no capital commments at 31 December 2022 (2021: Nil)

45 **Contingent liabilities**

There were no material contingent liabilities as at 31 December 2022 (2021: Nil).

46 Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the current year financial statements.

47 Contingencies and commitments

(a) Legal Proceedings

The Company operates in the insurance industry and is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

(b) Regulations

The Company is also subject to insurance solvency regulations in all the territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

(c) The directors are of the opinion that the Company will not incur any significant loss with respect to these claims and accordingly, no provision has been made in these financial statements.

48 Contravention of laws and regulations

The Company contravened certain laws and regulations during the year ended 31 December 2022. Details of the contraventions and the appropriate penalties are as follows:

Regulators	Description of penalty	Number of times	Year of contravention	Amount of penalty N'000
NGX Regulation Limited	Late submission of 2021 Audited Financial Statements	1	2022	5,300
Federal Inland Revenue Service	Late filing of 2020 annual returns	1	2022	1,993
				<u>7,293</u>

49 Events after the reporting year

- (i) No events or transactions have occurred since the financial position date, which would have a material effect on the financial statements at that date or which need to be mentioned in the financial statements.
- (ii) In compliance with the requirements of Financial Reporting Council of Nigeria(FRC) and the Institute of Chartered Accountants of Nigeria (ICAN) in respect of COVID-19, the Directors have assessed the impact of COVID-19 on the financial statements as a whole and are of the opinion that it has no material effect.

50 Segment information

The Company is organised into two operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. These segments and their respective operations are as follows:

Non-Life: This segments covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Life: This segment covers the protection of the Company's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

50.1 Segment profit or loss and other comprehensive income

	Non-Life N'000	Life N'000	2022 N'000	Non-Life N'000	Life N'000	2021 N'000
Gross premium written	7,744,382	6,164,094	13,908,476	6,017,745	7,264,771	13,282,516
Unearned premium	(644,460)	112,953	(531,507)	(484,084)	(225,101)	(709,185)
Gross premium income	7,099,922	6,277,047	13,376,969	5,533,661	7,039,670	12,573,331
Reinsurance expenses	(2,260,445)	(1,655,658)	(3,916,103)	(2,057,842)	(2,328,964)	(4,386,806)
Net premium income	4,839,477	4,621,389	9,460,866	3,475,819	4,710,706	8,186,525
Commission income	711,475	421,389	1,132,864	463,468	619,608	1,083,076
Net underwriting income	5,550,952	5,042,778	10,593,730	3,939,287	5,330,314	9,269,601
Claims expenses (net)	761,116	2,986,107	3,747,223	1,469,687	2,898,084	4,367,771
Underwriting expenses	2,380,633	1,423,428	3,804,061	1,727,456	1,765,181	3,492,637
Changes in Life fund	-	(12,542)	(12,542)	-	(9,990)	(9,990)
Changes in Annuity fund	-	(48,990)	(48,990)	-	(288,423)	(288,423)
Total underwriting expenses	3,141,749	4,348,003	7,489,752	3,197,143	4,364,852	7,561,995
Underwriting profit	2,409,203	694,775	3,103,978	742,144	965,462	1,707,606
Loss on investment contract liabilities	-	(24,158)	(24,158)	-	(134,565)	(134,565)
Fair value (loss)/gain on assets	653,277	36,576	689,853	451,073	4,169	455,242
Investment income	458,562	231,673	690,235	430,180	225,986	656,166
Other income	712,340	138,683	851,023	623,246	217,972	841,218
Management expenses	(2,996,073)	(934,684)	(3,930,757)	(2,093,202)	(1,097,430)	(3,190,632)
Impairment of assets	-	142,010	142,010	-	(46,578)	(46,578)
(Allowance)/write back of expected credit losses	12,775	5,618	18,393	(6,837)	1,031	(5,806)
Profit before taxation	1,250,084	290,493	1,540,577	146,604	136,047	282,651
Information Technology	(12,377)	(2,876)	(15,253)	(1,452)	(1,347)	(2,799)
Income tax	(43,717)	(2,713)	(46,430)	(16,616)	(1,852)	(18,468)
Profit for the year	1,193,990	284,904	1,478,894	128,536	132,848	261,384

50.2 Segment Statement of financial Position	2022				2021			
	Non-Life	Life	Elimination of Inter business balances	Total	Non-Life	Life	Elimination of Inter Company balances	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets								
Cash and cash equivalents	8,061,175	1,353,295		9,414,470	6,694,820	2,743,185		9,438,005
Financial Assets:								
- At fair value through profit or loss	452,699	79,925		532,624	905,150	87,894		993,044
- At amortised cost	1,391,392	2,040,519		3,431,911	1,527,509	2,094,800		3,622,309
- At fair value through other comprehensive income	227,341	63,436		290,777	227,340	63,437		290,777
Trade receivables	381,255	66,562		447,817	86,024	144,914		230,938
Reinsurance assets	1,641,685	729,413		2,371,098	1,410,346	1,084,224		2,494,570
Deferred acquisition costs	341,536	102,731		444,267	221,125	110,469		331,594
Other receivables and prepayments	594,714	3,105,058	(3,491,112)	208,660	162,951	2,740,695	(2,603,633)	300,013
Investment property	4,197,000	203,842		4,400,842	3,430,000	174,045		3,604,045
Investment in subsidiaries	2,638,310	-	(2,000,000)	638,310	2,000,000	-	(2,000,000)	-
Statutory deposit	320,150	215,000		535,150	320,150	215,000		535,150
Intangible assets	106,270	-		106,270	19	-		19
Property, plant and equipment	3,034,416	245,417		3,279,833	2,080,936	36,847		2,117,783
Total Assets	23,387,943	8,205,198	(5,491,112)	26,102,029	19,066,370	9,495,510	(4,603,633)	23,958,247
Liabilities And Shareholders' Equity								
Liabilities								
Insurance contract liabilities	4,630,930	3,309,296		7,940,226	3,567,734	4,586,402		8,154,136
Investment contract liabilities	-	1,067,294		1,067,294	-	1,076,506		1,076,506
Trade payables	1,831,272	483,240		2,314,512	637,957	137,147		775,104
Other payables and accruals	4,811,608	65,630	(3,491,112)	1,386,126	3,358,237	74,266	(2,603,633)	828,870
Retirement Benefit Obligations	-	-		-	1,283,394	172,817		1,456,211
Income tax liabilities	163,493	114,756		278,249	135,134	118,293		253,427
Deferred tax liabilities	112,008	15,576		127,584	89,734	15,576		105,310
Total Liabilities	11,549,311	5,055,792	(3,491,112)	13,113,991	9,072,190	6,181,007	(2,603,633)	12,649,564
Shareholders' Equity								
Share capital	916,793	2,000,000	(2,000,000)	916,793	916,793	2,000,000	(2,000,000)	916,793
Share premium	3,690,991	-	-	3,690,991	3,690,991	-	-	3,690,991
Deposit for shares	3,500,000	-	-	3,500,000	3,500,000	-	-	3,500,000
Contingency reserves	2,202,519	429,497	-	2,632,016	1,902,079	429,498	-	2,331,577
Retained earnings	962,810	591,826	-	1,554,636	(91,643)	761,348	-	669,705
FVOCI reserves	309,257	128,083	-	437,340	309,257	128,083	-	437,340
Revaluation reserves	256,262	-	-	256,262	55,801	-	-	55,801
Reserve on actuarial valuation of gratuity	-	-	-	-	(289,098)	(4,426)	-	(293,524)
Total Equity	11,838,632	3,149,406	(2,000,000)	12,988,038	9,994,180	3,314,503	(2,000,000)	11,308,683
Total Liabilities And Shareholders' Equity	23,387,943	8,205,198	(5,491,112)	26,102,029	19,066,370	9,495,510	(4,603,633)	23,958,247

51 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts, in response to the risk, the Company's assets and liabilities are allocated as follows:

	Policy Holders' Fund					Shareholders' Fund	
	Non-Life	Life				TOTAL	TOTAL FUNDS
AS AT DECEMBER 2022		Life	Annuity	DA	Total		
	N'000	N'000	N'000	N'000		N'000	
COMPANY							
Cash and cash equivalents	1,683,016	1,146,775	128,960	139,105	3,097,856	6,316,614	9,414,470
Financial Assets:	-				-		
- At fair value through profit or loss	-	79,925	-	-	79,925	452,699	532,624
- At amortised cost	1,072,101	580,469	725,004	958,135	3,335,709	96,202	3,431,911
- At fair value through other comprehensive income	-	-	-		-	290,777	290,777
Investment in Subsidiaries						638,310	638,310
Trade receivables	381,255	66,562			447,817	-	447,817
Reinsurance assets	1,641,685	729,413			2,371,098	-	2,371,098
Other receivables and prepayments	-	-			-	208,660	208,660
Investment property	-	-			-	4,400,842	4,400,842
Statutory deposit	-				-	535,150	535,150
Intangible assets	-				-	106,270	106,270
Property, plant and equipment	-				-	3,279,833	3,279,833
Total Assets	4,778,057	2,603,144	853,964	1,097,240	9,332,405	16,325,357	25,657,762
Liabilities:							
Insurance contract liabilities	4,630,929	2,558,484	750,813	-	7,940,226	-	7,940,226
Investment contract liabilities	-	-	-	1,067,294	1,067,294	-	1,067,294
Trade payables	-	-	-	-	-	2,314,512	2,314,512
Other payables and accruals	-	-	-	-	-	1,386,126	1,386,126
Income tax liabilities	-	-	-	-	-	278,249	278,249
Deferred tax liabilities	-	-	-	-	-	105,310	105,310
Total Liabilities	4,630,929	2,558,484	750,813	1,067,294	9,007,520	4,084,197	13,091,717
Related Companies Loans							
Assets Cover	147,128	44,660	103,151	29,946	324,885	12,241,160	12,566,045

52 Capital Management Policy

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory stipulations and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Composite insurers using a solvency margin model, NAICOM generally expect composite insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. The regulator stipulates that insurers should produce a minimum solvency margin of 100%. During the year, the Company has consistently exceeded this minimum. 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 further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship between these risk categories.

The Company's objectives when managing capital are as follows:

- To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Company;
- To generate sufficient capital to support the Company's overall business strategy;
- To ensure that the Company meets all regulatory capital ratios and the prudent buffer required by the Board;
- To ensure that the average return on capital over a 3 -5 years performance cycle is sufficient to satisfy the expectations of investors;
- To maintain a strong risk rating;
- To ensure that capital allocation decisions are optimal, considering the return on economic and regulatory capital;
- To determine the capital required to support each business activity based on returns generated on capital to facilitate growth/expansion of existing businesses (i.e. capital allocation);
- To establish the efficiency of capital utilization.

(a) Minimum Capital Requirement

The Company complied with the minimum capital requirement of N5billion for Composite operations. This is shown under Shareholders' Fund in the Statement of Financial Position.

(b) Solvency Status

The Company met the criteria for solvency margin as stated in section 24(1) of the Insurance Act, CAP 117, LFN 2004, the solvency margin maintained is N8,608,933,000.

(c) Capital Adequacy Test

Based on the capital adequacy calculation below, LASACO Assurance Plc has a surplus of N8billion.

	2022	
	N'000	N'000
Shareholders' fund as per Statement of Financial Position		12,988,038
Less:		
Intangible Assets	(106,270)	
Deferred tax liability	(127,584)	
	<u> </u>	<u>(233,854)</u>
Capital base		<u>12,754,184</u>

Management uses regulatory capital ratios to monitor its capital base. Based on the capital base computed above, the Company's capital base is above the minimum capital requirement of N5 billion specified by NAICOM.

(d) DETERMINATION OF SOLVENCY MARGIN	2022 N'000	Inadmissible N'000	2022 Admissible N'000	2021 N'000
ASSETS				
Cash and cash equivalents	9,414,470	-	9,414,470	9,438,005
Financial assets				
-FVTPL	532,624	-	532,624	993,044
-FVOCI	290,777	-	290,777	290,777
-Amortised Cost	3,431,911	-	3,431,911	3,622,309
Trade receivables	447,817	-	447,817	230,938
Reinsurance assets	2,371,098	-	2,371,098	2,494,570
Deferred acquisition costs	444,267	-	444,267	331,594
Other receivables	208,660	(207,160)	1,500	37,702
Investment in Subsidiaries	638,310		638,310	-
Investment in Properties	4,400,842	(2,734,176)	1,666,666	1,666,666
Statutory deposit	535,150	-	535,150	535,150
Property, plant and equipment	3,279,833	(1,565,353)	1,714,480	825,543
Intangible assets	106,270	-	106,270	19
Admissible assets	26,102,029	(4,506,689)	21,595,340	20,466,317
LIABILITIES				
Insurance contract liabilities	7,940,226	-	7,940,226	8,154,136
Investment contract liabilities	1,067,294	-	1,067,294	1,076,506
Trade payables	2,314,512	-	2,314,512	775,104
Other payables and accruals	1,386,126	-	1,386,126	828,870
Retirement benefits obligations	-	-	-	1,456,211
Income tax liabilities	278,249	-	278,249	253,427
Deferred tax liabilities	127,584	(127,584)	-	-
Admissible liabilities	13,113,991	(127,584)	12,986,407	12,544,254
Solvency margin		(4,379,105)	8,608,933	7,922,063
Minimum share capital		-	5,000,000	5,000,000
Surplus in solvency margin		4,379,105	3,608,933	2,922,063
Percentage of solvency			42%	37%

The Company's capital requirement ratio and Solvency margin is above the requirements of the Insurance Act CAP 117, LFN 2004.

53 Financial Risk Management

Credit risk

The Company is exposed to the following categories of credit risk:

Direct Default Risk - the risk of non- receipt of the cash flows or assets to which it is entitled because brokers, clients and other debtors default on their obligations

Concentration Risk - this is the exposure to losses due to excessive concentration of business activities with individual counterparties, groups of individual counterparties or related entities, counterparties in specific geographical locations, industry sectors, specific products, etc.

Counterparty Risk - this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

The Company therefore ensures the establishment of principles, policies and processes and structure for the management of credit risk.

The credit risk appetite is in line with the Company's strategic objectives, available resources and the provisions of NAICOM Operational Guidelines. In setting this appetite/tolerance limits, the corporate solvency level, risk capital and liquidity level , credit ratings, level of investments, reinsurance and coinsurance arrangements, and nature and categories of its clients, are taken into consideration.

The credit risk management governance structure comprises the board of Directors, Executive Risk Management ERM Committee, management risk committee, technical operations department, risk management department and the internal audit department.

The Board risk Committee has the responsibility of ensuring that an appropriate, adequate and effective system of risk management and internal control which addresses credit control is established and maintained.

RISK MANAGEMENT FRAMEWORK

The Credit Risk Management process involves the identification, measurement, mitigation and control, monitoring and reporting credit risk.

The credit control unit identifies the credit risk by, amongst other functions assessing/evaluating the repayment capacity of clients/counterparties, credit policyholders, insurance brokers, etc. The evaluation entails the analysis of counterparties' financial statements cash flow, management experience and other client risk factors.

An internal credit rating scale is in place to measure the counterparty credit risk. All clients and counterparties that are to be granted credit shall be rated using the Company's risk-rating model.

The risk model comprises:

Client/counterparty risk rating: This evaluates a client's ability to meet its credit obligations, through analysis of its financial statements, cash flow statement, management capabilities and other client related risk factors.

Transaction risk rating: This defines the risk of a specific credit line by overlaying the counterparty risk rating with an analysis of factors such as credit structure and collaterals (e.g. guarantees, and equitable and legal mortgages).

The following risk mitigation and control activities are in place to effectively manage exposures to default risk: client evaluation, credit analysis, credit limit setting, credit approval, Security management and provision for impairment.

The quality and performance of credit portfolios is monitored to identify early signs of decline in credit quality. Such activities include the review of ageing report, credit portfolio quality and delinquency management.

A Company credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or Company of counterparties, geographical and industry (i.e., limits are set for investments and cash deposits).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

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

The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

Impairment assessment (Policy applicable from 1 January 2018)

The Company's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

Financial Risk Management continued

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):

- quantitative element (i.e. reflecting a quantitative comparison of PD at the reporting date and PD at initial recognition);
- a qualitative element; and
- 'backstop' indicators

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

- The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the Company.

The elements to be taken as indications of unlikelihood to pay include:

Qualitative elements

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Company recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

Backstop indicators

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

Expected credit losses

The Company assesses the possible default events within 12 months for the calculation of the 12mECL and lifetime for the calculation of LTECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio varies for different instruments. In cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by using days past due and assessing other information obtained externally.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the Company also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgement). Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Financial Risk Management continued

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12-month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with
- The risk of default occurring estimated based on data on initial recognition and the original contractual terms.

54 Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.3 Summary of significant accounting policies in Note 1.4 ,Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economies). The following tables set out the key drivers of expected loss and the assumptions used for the Company’s base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2021 and 31 December 2022.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for “Subsequent years” represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2023	2024	2025	2026
31-Dec-22						
Inflation Rate	Upturn	81%	38.05	39.1	40.26	39.4
	Base-case	77%	42.65	42.5	43.63	42.88
	Downturn	9%	44.2	45.63	46.76	45.97
Unemployment Rate	Upturn	10%	31.56	31	32	38
	Base-case	81%	34	34.2	34.75	37.94
	Downturn	9%	33.17	34.75	36.08	33.23
Crude oil Price (USD per barrel)	Upturn	10%	58.78	63.59	65.93	65.93
	Base-case	81%	54.76	60.16	62.5	62.5
	Downturn	9%	53.45	54.95	57.3	57.3
1-Jan-21						
Inflation Rate	Upturn	10%	16.1	15.8	15.76	15.77
	Base-case	77%	12.25	10	11	10.85
	Downturn	13%	12.12	10.79	11.79	11.64
Unemployment Rate	Upturn	10%	31.5	30.98	30.98	30.98
	Base-case	77%	33	33	33	33
	Downturn	13%	33.23	33.23	33.23	33.23
Crude oil Price (USD per barrel)	Upturn	10%	58.45	59.68	65.93	65.93
	Base-case	77%	55.17	56.25	62.5	62.5
	Downturn	13%	50.78	51.05	57.3	57.3

The following tables outline the impact of multiple scenarios on the allowance:

31 December 2022 In thousand of Nigerian Naira		Cash and cash equivalents	Debt Instruments at amortised cost	Other receivables
Upside	10%	4,215	2,115	74
Base	80%	28,754	19,442	328
Downside	11%	3,458	3,258	75
Total		36,427	24,815	477

1 January 2022 In thousand of Nigerian Naira		Cash and cash equivalents	Debt Instruments at amortised cost	Other receivables
Upside		4,215	2,115	74
Base		28,754	19,442	328
Downside		3,458	3,258	75
Total		36,427	24,815	477

Exposure to credit risk

The tables below show the maximum exposure to credit risk by class of financial assets.

In thousand of Nigerian Naira			2022	2021
	Note			
Cash and cash equivalents	3		9,414,470	9,438,005
Debt instrument at amortised cost	4.3		3,431,911	3,622,309
Other receivable(excluding prepayment)	8		144,532	286,257
Carrying amount			12,990,913	13,346,571

The amount reported above is gross exposure recognised on cash and cash equivalents, debt instruments at amortised cost and other receivables.

Other receivables excluding prepayment N145million (2021:N286million) out of which N30 million relate to deposit for land as these are not financial instruments.

In measuring credit risk of other receivables to various counterparties, the Company considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations. The Company's policy is to lend principally on the basis of staff's repayment capacity through quantitative and qualitative evaluation.

Analysis of risk Concentration

The Company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 31 December 2022 was N12.99bn (2021: N13.35 Billion).

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis

31 December 2022 In thousand of Nigerian Naira	Financial services	Government	Others	Total
Cash and cash equivalents	9,414,470	-	-	9,414,470
Debt instruments at amortised cost	139,572	3,292,339	-	3,431,911
Other receivable(excluding prepayment)	-	-	144,532	144,532
	9,554,042	3,292,339	144,532	12,990,913

31 December 2021 In thousand of Nigerian Naira	Financial services	Government	Others	Total
Cash and cash equivalents	9,438,005	-	-	9,438,005
Debt instruments at amortised cost	768,609	2,853,700	-	3,622,309
Other receivable(excluding prepayment)	-	-	286,257	286,257
	10,206,614	2,853,700	286,257	13,346,571

55 RISK MANAGEMENT FRAMEWORK

The operations of the Company are subject to regulatory requirements within Nigeria. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive reserves (e.g., contingency reserve, limits on recognition of revaluation reserves for solvency purposes and distribution to shareholders of actuarial surpluses) to minimise the risk of default and insolvency on the part of insurance companies and to meet unforeseen liabilities as they arise.

The principal technique of the Company's Assets and Liabilities matching ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. An integral part of the insurance risk management policy is to ensure, in each year, sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

Insurance Risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The Company's retention limit is presently =N=10million on any one life (Subject to change from time to time).

Underwriting risk appetite is defined based on underwriting objectives, business acceptance guidelines, retention guidelines, net retention capacity, annual treaty capacity, regulatory guidelines, other operational considerations and the judgement of the board and senior management.

Each year, as part of the planning process, the Executive Risk Management (ERM) committee and senior management review the underwriting strategy of core insurance businesses taking into account profit, growth and risk appetite considerations. The review is carried out for each major class of business and approved by the committee.

56 RISK MANAGEMENT FRAMEWORK

Life Insurance Contracts

Life insurance contracts offered by the Company include: whole life and term assurance; Whole life and term assurance are conventional regular premium products whereas lump sum benefits are payable in the event of death or permanent disability.

Death benefits of endowment products are subject to a guaranteed minimum amount. The maturity value usually depends on the investment performance of the underlying assets.

Mortality risk - risk of loss arising due to policyholders' death experience being different from expected;

Morbidity risk - risk of loss arising due to policyholder health experience being different from expected;

Longevity risk - risk of loss arising due to the annuitant living longer from expected;

Investment return risk - risk of loss arising from actual returns being different from expected;

Expense risk - risk of loss arising from expense experience being different from expected

Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different from expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Company's wide reinsurance limit of N10,000,000 (ten million naira) on any single life insured is in place.

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to contract holders' behaviour.

Key Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality and morbidity rates

- Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.
- An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in longevity rates will lead to an increase in the number of annuity payments made, which will increase the expenditure and reduce profits for the shareholders.

• **Investment return**

The weighted average rate of return is derived based on a model portfolio that assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to a reduction in expenditure and an increase in profits for the shareholders.

• **Expenses**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

• **Lapse and surrender rates**

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

Non-life insurance contracts (which comprise general insurance)

The Company principally issues the following types of general insurance contracts: motor, fire, marine and aviation, Oil and Gas, General Accidents, bonds etc.

Risks under non-life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer term claims that take some years to settle, there is also inflation risk. For healthcare contracts the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., flood damage)

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophies based on the Company's risk appetite as decided by the Board. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 40% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

TABLE 1

The table below sets out the concentration of non-life insurance contract liabilities by type of contract:

	31-Dec-22			31-Dec-21		
	Gross liabilities	Reinsurance liabilities	Net liabilities	Gross liabilities	Reinsurance liabilities	Net liabilities
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	303,889	60,778	243,111	765,911	688,718	77,193
Fire	385,561	186,352	199,209	733,155	357,201	375,954
General accident	420,043	178,835	241,208	484,129	326,287	157,842
Marine and aviation	424,466	110,866	313,600	293,459	206,803	86,656
Engineering	171,317	88,617	82,700	257,085	114,507	142,578
Bond	106,362	53,181	53,181	285,812	145,304	140,508
Oil and gas	661,970	269,112	392,858	748,109	433,827	314,282
Total	2,473,608	947,741	1,525,867	3,567,660	2,272,647	1,295,013

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 claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one-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.

Judgment 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.

Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions that follow. 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. 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 movements in these assumptions are non-linear.

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/s as at 30th September 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2007	9	5,216	-	5,216	55606%	55606%	5,216	-
2008	1,840	596	-	596	32%	32%	596	-
2009	205	19,323	-	19,323	9429%	9429%	19,323	-
2010	511,507	280,832	16,200	297,032	58%	58%	297,032	16,200
2011	942,027	551,493	-	551,493	59%	59%	551,493	-
2012	1,257,612	467,604	-	467,604	37%	37%	467,604	-
2013	2,045,285	129,670	51,336	181,006	9%	9%	181,006	51,336
2014	1,266,128	44,567	205,024	249,591	20%	20%	249,591	205,024
2015	2,401,711	10,162	248,025	258,187	11%	11%	258,187	248,025
2016	1,949,639	288,933	-	288,933	15%	15%	288,933	-
2017	2,213,034	1,494,858	-	1,494,858	68%	68%	1,494,858	-
2018	2,509,444	518,067	-	518,067	21%	21%	518,067	-
2019	1,854,728	48,314	-	48,314	3%	3%	48,314	-
2020	1,494,696	6,294	-	6,294	0%	5%	68,602	62,308
2021	1,226,608	-	-	-	0%	10%	122,661	122,661
2022	920,536	57,250	544,451			622%		
Total			1,065,036					705,553
							Discounted	643,101

Bond

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	at 30th September 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2007	0	-	-	-	-	-	-	-
2008	0	-	-	-	-	-	-	-
2009	0	-	-	-	-	-	-	-
2010	47,341	-	-	-	0%	0%	-	-
2011	101,429	-	-	-	0%	0%	-	-
2012	107,035	3,546	-	3,546	3%	3%	3,546	-
2013	178,832	27,913	11,524	39,437	22%	22%	39,437	11,524
2014	107,922	-	-	-	0%	0%	-	-
2015	75,570	-	10,253	10,253	14%	14%	10,253	10,253
2016	94,924	-	-	-	0%	0%	-	-
2017	143,416	-	-	-	0%	0%	-	-
2018	285,542	-	-	-	0%	0%	-	-
2019	245,178	-	-	-	0%	0%	-	-
2020	196,067	29,522	-	29,522	15%	17%	33,444	3,921
2021	387,954	-	-	-	0%	5%	19,398	19,398
2022	354,225	-	84,885					
Total			106,661					45,096
							Discounted	42,530

Engineering

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	at 30th September 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2007	11,709	-	-	-	0%	0%	-	-
2008	25,746	-	-	-	0%	0%	-	-
2009	27,818	12,762	-	12,762	46%	46%	12,762	-
2010	55,856	375	-	375	1%	1%	375	-
2011	89,959	633	45	678	1%	1%	678	45
2012	82,083	1,885	-	1,885	2%	2%	1,885	-
2013	120,852	8,596	47	8,642	7%	7%	8,642	47
2014	96,181	64,871	1,346	66,217	69%	69%	66,217	1,346
2015	120,525	7,602	260	7,862	7%	7%	7,862	260
2016	90,738	11,638	10,323	21,961	24%	24%	21,961	10,323
2017	182,828	41,306	2,176	43,481	24%	24%	43,481	2,176
2018	277,618	47,242	242	47,485	17%	17%	47,485	242
2019	260,549	96,374	-	96,374	37%	37%	96,374	-
2020	405,738	474,723	-	474,723	117%	119%	482,837	8,115
2021	474,989	8,413	-	8,413	2%	22%	103,168	94,755
2022	156,705	157,033	104,781	47,815	100%	84%	115,780	87,116
Total			119,220					204,425
							Discounted	103,932

Marine

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	30th September 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2007	21,500	21,301	-	21,301	99%	99%	21,301	-
2008	31,178	7,347	-	7,347	24%	24%	7,347	-
2009	5,260	4,878	-	4,878	93%	93%	4,878	-
2010	18,272	16,416	-	16,416	90%	90%	16,416	-
2011	59,004	-	-	-	0%	0%	-	-
2012	92,403	5,389	98	5,488	6%	6%	5,488	98
2013	90,457	4,118	659	4,778	5%	5%	4,778	659
2014	114,940	15,174	-	15,174	13%	13%	15,174	-
2015	59,303	9,646	252	9,898	17%	17%	9,898	252
2016	77,922	8,807	-	8,807	11%	11%	8,807	-
2017	114,979	10,944	541	11,485	10%	10%	11,485	541
2018	136,898	85,458	11,482	96,940	71%	71%	96,940	11,482
2019	193,496	65,274	11,640	76,914	40%	40%	76,914	11,640
2020	299,958	21,328	24,486	45,814	15%	20%	61,032	39,704
2021	302,573	9,331	11,050	20,381	7%	27%	81,566	72,235
2022	255,879	24,066	14,780	18,470	9%	22%	57,316	83,460
Total			74,990					220,073
							Discounted	123,517

Aviation

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/s as at 30th September 2022 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding Claim Reserves (N'000)
2007	-	-	-	-	0%	0%	-	-
2008	-	-	-	-	0%	0%	-	-
2009	8,451	-	-	-	0%	0%	-	-
2010	14,147	-	-	-	0%	0%	-	-
2011	13,109	8,843	-	8,843	67%	67%	8,843	-
2012	17,365	1,128	-	1,128	6%	6%	1,128	-
2013	19,582	12,916	-	12,916	66%	66%	12,916	-
2014	20,668	11,198	499	11,697	57%	57%	11,697	499
2015	14,599	5,778	31,912	37,690	258%	258%	37,690	31,912
2016	18,982	29,820	164	29,984	158%	158%	29,984	164
2017	26,292	2,176	163	2,339	9%	9%	2,339	163
2018	18,712	9,351	-	9,351	50%	50%	9,351	-
2019	36,995	10,399	-	10,399	28%	28%	10,399	-
2020	61,666	54	-	54	0%	5%	3,243	3,189
2021	237,907	904	-	904	0%	20%	48,038	47,134
2022	188,180	32,263	17,456	45,157	17%	50%	94,876	169,645
Total			50,194					252,706
							Discounted	75,854

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. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

A Company 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 risk 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 policy holders' liabilities and that assets are held to deliver income and gains for policy holders which are in line with expectations of the policy holders.

The Company is active in money and capital market instruments, and investments in these instruments are basically for liquidity and held-to-maturity purposes. Therefore, the values of assets in the investment portfolio are at risk due to volatility in security prices, interest rates, and other market and economic variables.

There is a very strict control over hedging activities (e.g., equity derivatives are only permitted to be held to facilitate portfolio management or to reduce investment risk).

A sound market/investment risk management framework is implemented in order to minimize possible losses to capital and earnings arising from volatilities in market factors. The Company stipulates diversification benchmarks by type of instrument and geographical area.

Investment risk is the risk of loss (partial or full) of the principal amount and/or expected returns due to changes in the market variables. Investment risk is managed effectively and on a proactive basis by developing and implementing investment risk management strategies, policies and processes.

Investment in money, capital and other markets would expose a Company to the following sources of Investment risks:

Capital Risk

This is the risk that the Company will lose all or part of the principal amount invested. For example, if the Company invests ₦10 million into the stock market, it faces a capital risk on the entire ₦10 million or part of it.

Portfolio Risk:

This is the risk that the investment portfolio will perform "poorly" because of poor choice of investments in the portfolio.

Inflation risk:

The risk that inflation will outpace investment returns over time and erode the purchasing power of invested funds.

Liquidity Risk:

It is the risk that an investment asset cannot be sold when the need arises. The Company will be exposed to liquidity risk, when there is the need to sell an investment, and the investment cannot be liquidated due to insufficient secondary market or lack of sufficient demand for such a security. Liquidity risk is the current and future risk arising from the inability to meet our financial obligations when they become due.

Credit or Default Risk

Credit risk is created by the possibility of loss due to a counter party's or issuer's default, or inability to meet contractual payment terms. Higher quality bonds, including government bonds face the lowest credit risk.

Event Risk:

Event Risk is the risk of regulatory changes or other external occurrences that are significant, unanticipated and external, which impact negatively on the value of a security.

Market Risk:

This is the risk that the value of an investment will diminish due to unfavourable changing market conditions. A stock will rise or fall in price in response to investors' sentiments or changes in the fortunes of the Company or its industry

Interest rate risk:

This is the risk of exposures to the volatility of interest rates. It is the risk of the value or future cash flows of financial instruments being affected by changes in interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk. The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The Company has no significant concentration of interest rate risk.

The Company's exposure to interest rate risk and a sensitivity analysis for financial liabilities is disclosed in the financial statements.

Currency risk:

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.

The Company's principal transactions are carried out in naira and its exposure to foreign exchange risk is minimal. The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. This mitigates the foreign currency exchange rate risk. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The Company has no significant concentration of currency risk.

Price 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 and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Company has no significant concentration of price risk.

The Company will adopt a top down approach for defining its investment appetite. This is reviewed by senior management and approved by the Board Investment Committee (BIC) to ensure amongst other things that the investment risk assumed is commensurate with its strategy.

The following investment risk appetite statements guide the Company:-

- Except as waived by BIC after proper feasibility study, investment/trading transactions that do not fall within our target market and defined risk appetite are not undertaken, no matter how profitable the transactions may be.
- The Company does not enter into any transaction that is illegal, unethical or contravenes any applicable laws, regulations, or professional code of conduct, or is capable of damaging our corporate image or that of our key officers.
- Business is not transacted with any organisation with perceived likelihood of failure or that shows signs of going concern challenges.

A cautious and prudent approach is adopted in engaging in investment and trading activities.

- The strategic management of the Company's investment portfolio is the fundamental responsibility of the Board Investment Committee (BIC) and senior management. The investment management team is responsible for implementing our policies by executing trade and investment decisions.

In accordance with section 6(2) of the NAICOM guidelines (which is subject to future amendments), the Company shall invest in any of the following categories of investment assets:

- Bonds, bills and other securities issued or guaranteed by the Federal Government of Nigeria and the Central Bank of Nigeria.
- Bankers acceptance and commercial papers guaranteed by issuing bank.
- Quoted equities of not more than 50% of shareholders' fund.
- Unquoted equities not more than 20% of shareholders' fund.
- Property for Non-life insurance, not more than 35% of shareholders' fund.

In measuring investment risk, the following approaches, which are detailed in the Risk Management Framework, are used:

- Volatility
- Value at risk (VAR)
- Sensitivity analysis
- Stress testing
- Scenario testing

Investment risk exposures are mitigated by:

- Setting internal investment risk control limits
- Complying with legal investment limits
- Establishing Investment Approval Limits
- Diversification, in order to smoothen out unsystematic risk events in our portfolios
- Clear separation of duties between the unit that initiates and executes trade, and the units that accounts for trade transactions and handles transaction settlement.

The risk management department is responsible for monitoring investment risk exposures while the financial control department provides relevant information to the risk management department for investment risk monitoring.

Operational risks

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, authorisation 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.

LASACO ASSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2022

57 FINANCIAL ASSETS AND LIABILITIES

Accounting classification measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

	Amortised cost N'000	FVTPL assets N'000	FVOCI assets N'000	Other assets N'000	Other financial liabilities at amortised cost N'000	Total carrying amount N'000	Fair value amount N'000
31 December 2022							
Cash and cash equivalents	9,414,470	-	-	-	-	9,414,470	9,414,470
Financial assets	3,431,911	532,624	290,777	-	-	4,255,312	4,255,312
Trade receivables	-	-	-	447,817	-	447,817	447,817
Other receivables excluding prepayments	-	-	-	144,532	-	144,532	144,532
	12,846,381	532,624	290,777	592,349	-	14,262,131	14,262,131
Insurance contract liabilities	-	-	-	-	7,940,226	7,940,226	7,940,226
Investment contract liabilities	-	-	-	-	1,067,294	1,067,294	1,067,294
Trade and other payables	-	-	-	-	4,106,471	4,106,471	4,106,471
	-	-	-	-	13,113,991	13,113,991	13,113,991
31 December 2021							
Cash and cash equivalents	9,438,005	-	-	-	-	9,438,005	9,438,005
Financial assets	3,622,309	993,044	290,777	-	-	4,906,130	4,906,130
Trade receivables	-	-	-	230,938	-	230,938	230,938
Other receivables excluding prepayments	-	-	-	286,257	-	286,257	286,257
	13,060,314	993,044	290,777	517,195	-	14,861,330	14,861,330
Insurance contract liabilities	-	-	-	-	8,154,136	8,154,136	8,154,136
Investment contract liabilities	-	-	-	-	1,076,506	1,076,506	1,076,506
Trade and other payables	-	-	-	-	3,418,922	3,418,922	3,418,922
	-	-	-	-	12,649,564	12,649,564	12,649,564

LASACO ASSURANCE PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022
OTHER NATIONAL DISCLOSURE
STATEMENT OF VALUE ADDED

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	2022		2021	
	N'000	%	N'000	%
Premium, Investment and Other Income	12,800,683		11,087,662	
Premiums, Commissions, Claims paid and other operational costs	<u>(8,777,975)</u>		<u>(9,108,124)</u>	
Value Added	<u><u>4,022,708</u></u>	<u><u>100</u></u>	<u><u>1,979,538</u></u>	<u><u>100</u></u>
DISTRIBUTED AS FOLLOWS:				
EMPLOYEES				
Staff costs	2,157,306	53	1,392,314	70
GOVERNMENT				
Taxation	61,683	2	21,267	1
ASSET REPLACEMENT				
Depreciation and amortisation	324,825	8	304,573	16
CONTRACTION/EXPANSION -				
Shareholder's interest				
Profit for the year after taxation	<u>1,478,894</u>	<u>37</u>	<u>261,384</u>	<u>13</u>
VALUE ADDED	<u><u>4,022,708</u></u>	<u><u>100</u></u>	<u><u>1,979,538</u></u>	<u><u>100</u></u>

The value added statement represents the distribution of the wealth created by the Company through the use of its assets and the efforts of the employees. This statement shows the allocation of the wealth between employees, shareholders, government and that retained for the future creation of more wealth.

LASACO ASSURANCE PLC
OTHER NATIONAL DISCLOSURE
FIVE YEAR FINANCIAL SUMMARY, 31 DECEMBER 2022

	2022	2021	2020	2019	2018
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Cash and cash equivalents	9,414,470	9,438,005	5,411,672	4,355,756	3,047,653
Financial assets	4,255,312	4,906,130	5,593,687	4,860,875	5,064,661
Trade receivables	447,817	230,938	116,600	70,788	402,690
Reinsurance assets	2,371,098	2,494,570	2,920,493	2,328,298	2,290,334
Deferred acquisition cost	444,267	331,594	395,982	185,725	128,579
Other receivables & Prepayments	208,660	300,013	295,615	575,567	565,098
Investment properties	4,400,842	3,604,045	3,192,700	3,230,500	3,306,500
Investment in Subsidiaries	638,310	-	-	-	-
Statutory deposit	535,150	535,150	535,150	535,150	505,253
Intangible asset	106,270	19	519	1,019	1,500
Property, plant and equipment	3,279,833	2,117,783	2,074,320	2,366,601	1,740,211
Total Assets	26,102,029	23,958,247	20,536,738	18,510,279	17,052,479
Liabilities And Equity					
Insurance contract liabilities	7,940,226	8,154,136	8,272,556	6,696,038	6,060,419
Investment contract liabilities	1,067,294	1,076,506	926,561	854,888	790,984
Trade payables	2,314,512	775,104	847,083	821,270	421,903
Other payables and accruals	1,386,126	828,870	594,183	421,360	207,227
Retirement Benefit Obligations	-	1,456,211	1,606,020	1,143,649	665,149
Income tax liabilities	278,249	253,427	388,993	416,199	256,485
Deferred tax liabilities	127,584	105,310	99,110	177,534	166,740
Total liabilities	13,113,991	12,649,564	12,734,506	10,530,938	8,568,907
Equity					
Issued share capital	916,793	916,793	3,667,172	3,667,172	3,667,172
Share premium	3,690,991	3,690,991	940,612	940,612	940,612
Deposit for shares	3,500,000	3,500,000	400,000	-	-
Contingency reserve	2,632,016	2,331,577	2,078,397	1,872,909	1,652,502
Retained earnings	1,554,636	669,705	844,860	737,708	1,203,559
FVOCI reserves	437,340	437,340	458,098	458,098	450,533
Revaluation reserve	256,262	55,801	-	623,061	569,194
Reserve on actuarial valuation of gratuity	-	(293,524)	(586,907)	(320,219)	-
Total equity	12,988,038	11,308,683	7,802,232	7,979,341	8,483,572
Total Liabilities And Equity	26,102,029	23,958,247	20,536,738	18,510,279	17,052,479
Gross premiums written	13,908,476	13,282,516	10,937,805	9,341,928	9,014,060
Net Underwriting Income	10,593,730	9,269,601	8,048,133	6,711,326	5,221,815
Net claims and underwriting expenses	7,489,752	7,561,995	6,072,204	4,412,642	3,100,204
Underwriting profit	3,103,978	1,707,606	1,975,929	2,298,684	2,121,611
Realised gain/(loss) on financial assets	689,853	455,242	122,556	(181,960)	16,773
Investment and other income	1,541,258	1,497,384	1,554,239	955,672	986,015
Net income	5,335,089	3,660,232	3,652,724	3,072,396	3,124,399
Other expenses	(3,794,512)	(3,377,581)	(2,956,288)	(2,724,626)	(2,166,200)
Profit before taxation	1,540,577	282,651	696,436	347,770	958,199
Taxation	(61,683)	(21,267)	(17,079)	(32,025)	(221,920)
Profit after taxation	1,478,894	261,384	679,357	315,745	736,279
Net fair value (loss)/gain on financial assets FVOCI	-	(20,758)	-	7,565	9,862
Gain/(loss) on revaluation reserve	200,461	55,801	(695,812)	53,867	27,816
Actuarial gain/(loss) on gratuity	-	293,383	(266,688)	(320,219)	-
Total comprehensive income/(loss) for the year	1,679,355	589,810	(283,143)	56,958	773,957
Earnings per share(kobo):					
- Actual and Adjusted	80.7	14.3	9.3	4.3	10

LASACO ASSURANCE PLC					89
LIFE REVENUE ACCOUNT					
FINANCIAL STATEMENTS, 31 DECEMBER 2022					
				2022	2021
	GROUP LIFE	INDIVIDUAL	ANNUITY	TOTAL	TOTAL
	N'000	N'000	N'000	N'000	N'000
Income					
Gross premium	6,142,585	21,509	-	6,164,094	7,264,771
Unearned premium	112,953	-	-	112,953	(225,101)
Gross premium earned	6,255,538	21,509	-	6,277,047	7,039,670
Reinsurance expenses (Local)	1,380,905	-	-	1,380,905	922,254
Reinsurance expenses (foreign)	274,753	-	-	274,753	1,406,710
	1,655,658	-	-	1,655,658	2,328,964
Net premium earned	4,599,880	21,509	-	4,621,389	4,710,706
Fees and commission	421,389	-	-	421,389	619,608
Total income	5,021,269	21,509	-	5,042,778	5,330,314
Claim expenses					
Claims paid	5,232,402	-	-	5,232,402	4,346,713
Changes in outstanding claims	(1,102,620)	-	-	(1,102,620)	(55,188)
Received from reinsurance	(1,143,675)	-	-	(1,143,675)	(1,393,441)
Net claims paid	2,986,107	-	-	2,986,107	2,898,084
Underwriting expenses					
Acquisition cost	654,618	-	-	654,618	671,424
Increase in fund balances	-	(12,542)	(48,990)	(61,532)	(298,413)
Maintenance expenses	768,810	-	-	768,810	1,093,757
	1,423,428	(12,542)	(48,990)	1,361,896	1,466,768
Underwriting profit	611,734	34,051	48,990	694,775	965,462

LASACO ASSURANCE PLC
NON - LIFE REVENUE ACCOUNT
FINANCIAL STATEMENTS, 31 DECEMBER 2022

	FIRE	GENERAL	MOTOR	OIL AND	MARINE	AVIATION	BOND	ENGINEERING	2022	2021
	N'000	ACCIDENT	N'000	GAS	N'000	N'000	N'000	N'000	N'000	N'000
Income										
Premiums (direct)	1,069,794	1,379,495	1,538,642	1,311,010	375,469	228,610	516,577	963,050	7,382,647	5,919,939
Inward reinsurance premiums	72,597	236,116	25,529	2,647	15,567	-	-	9,279	361,735	97,806
Gross premiums written	1,142,391	1,615,611	1,564,171	1,313,657	391,036	228,610	516,577	972,329	7,744,382	6,017,745
Changes in unearned premium	(140,220)	(66,695)	(24,592)	(71,325)	(12,103)	26,519	2,285	(358,329)	(644,460)	(484,084)
Gross premiums earned	1,002,171	1,548,916	1,539,579	1,242,332	378,933	255,129	518,862	614,000	7,099,922	5,533,661
Outward reinsurance premiums (local)	590,208	375,669	74,831	211,378	637,576	-	235,268	393,709	2,518,639	2,139,281
Changes in reinsurer's share of UPR	(74,531)	(76,272)	9,319	14,477	(35,850)	-	4,317	(99,654)	(258,194)	(81,439)
	515,677	299,397	84,150	225,855	601,726	-	239,585	294,055	2,260,445	2,057,842
Net premiums earned	486,494	1,249,519	1,455,429	1,016,477	(222,793)	255,129	279,277	319,945	4,839,477	3,475,819
Fees and commission	149,042	132,698	28,530	40,673	59,407	-	94,453	206,672	711,475	463,468
Total Income	635,536	1,382,217	1,483,959	1,057,150	(163,386)	255,129	373,730	526,617	5,550,952	3,939,287
Claims expenses										
Claims paid	897,662	209,640	278,979	93,860	48,681	32,750	-	175,734	1,737,306	4,640,824
Changes in Outstanding claims	(164,567)	119,775	88,345	18,869	89,902	135,194	63,832	67,385	418,735	(474,004)
Received from reinsurance	(798,128)	(127,560)	(12,397)	(41,704)	(106,291)		(173,036)	(135,809)	(1,394,925)	(2,697,133)
Net claims paid	(65,033)	201,855	354,927	71,025	32,292	167,944	(109,204)	107,310	761,116	1,469,687
Underwriting expenses										
Acquisition cost	200,009	322,931	192,804	87,322	74,676	31,412	98,769	89,641	1,097,564	942,416
Maintenance expenses	189,268	267,670	259,148	217,643	64,786	37,876	85,585	161,093	1,283,069	785,040
	389,277	590,601	451,952	304,965	139,462	69,288	184,354	250,734	2,380,633	1,727,456
Underwriting profit	311,292	589,761	677,080	681,160	(335,140)	17,897	298,580	168,573	2,409,203	742,144