



**Unaudited Financial Statements
for the Period Ended
30 June, 2022**

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FINANCIAL HIGHLIGHTS	30 June 2022	30 June 2021	Changes
	₦'000	₦'000	(%)
Comprehensive income statement			
Gross premium written	8,303,190	6,951,818	19
Gross premium income	5,870,504	4,812,084	22
Net premium income	3,099,030	2,396,001	29
Underwriting Profit/(Loss)	231,279	(1,026,697)	>100
Investment and other income	2,483,869	119,112	1,985
Profit /(Loss) before taxation	1,465,043	(2,111,423)	>100
Profit/(Loss) after taxation	1,391,791	(2,090,309)	>100
Statement of financial position			
Total assets	44,508,144	38,710,185	15
Insurance contract liabilities	14,266,069	11,635,256	23

Key Ratios	30 June 2022	30 June 2021
	%	%
Claims ratio	20	41
Claims ratio (net)	36	79
Underwriting expenses ratio	37	38
Fees and Commission income ratio	15	13
Management expenses ratio	15	17
Underwriting Profit margin	3	(15)

Our Performance

Gross premium written grew by 19% to N8.30billion as at June 2022 from N6.95billion recorded in prior year comparative. The Company posted an underwriting profit of N231million on account of growth in premium revenue and a moderate claims cost. The investment income was buoyed by the dividend income of N1.5billion received from Stanbic IBTC Pension Managers Ltd. PBT stood at N1.47billion as at Q2 2022 against N2.1billion loss in the prior period.

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

We the undersigned, hereby certify the following with regards to our unaudited financial statements for the period ended 30 June 2022 that:

- (i) We have reviewed the report and to the best of our knowledge, the report does not contain:
- any untrue statement of a material fact, or
 - omission to state a material fact, which would make the financial statements misleading in the light of
 - to the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in the report.
- (ii) We:
- are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company is made
 - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our
- (iii) We have disclosed to the auditors of the Company and audit committee:
- all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

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

Securities Trading Policy

The Company has a Securities Trading Policy which governs the trading of the Company's Securities by Insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed complying with the Policy during the quarter under review.



Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
28 July 2022



Emmanuel Otitolaie
Chief Financial Officer
FRC/2014/ICAN/00000008524
28 July 2022

Shareholding Structure/Free Float Status				
Description	30-Jun-22		31-Dec-21	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	14,000,000,000	100%	14,000,000,000	100%
Substantial Shareholdings (5% and above)				
Bayelsa State Ministry of Finance Incorporated	5,343,337,743	38.17%	5,343,337,743	38.17%
Stanbic IBTC Nominees	1,327,000,000	9.48%	1,327,000,000	9.48%
Total Substantial Shareholdings	6,670,337,743	47.65%	6,670,337,743	47.65%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Chief Joshua B. Fumudoh				
Mr. Tamunoye Alazigha				
Mrs.Funkazi Koroye-Crooks				
Mr. Maxwell Ebibai				
Mr. Olakunle Agbebi				
Mr. Bernard Griesel				
Mr. Daniel Braie				
Mr. Okanlawon Adelagun				
Total Directors' Shareholdings				
Other Influential Shareholdings				
Free Float in Units and Percentage	3,329,662,257	23.78%	3,329,662,257	23.78%
Free Float in Value	₦ 166,483,128.50		₦ 166,483,128.50	
(A) Linkage Assurance Plc with a free float percentage of 23.78%.as at 30 June 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Linkage Assurance Plc with a free float value of N166,483,128.50 as at 30 June 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

Statement of financial position
As at 30 June 2022

In thousands of Naira

Assets	Note	30 June 2022	31 Dec 2021	Changes %
Cash and cash equivalents	7	3,385,847	3,476,697	(3)
Financial assets	8	29,933,800	27,584,351	9
Trade receivables	9	867,479	81,468	965
Reinsurance assets	10	6,109,307	4,639,643	32
Deferred acquisition cost	11	868,047	432,828	101
Other receivables and prepayments	12	803,620	333,655	141
Investment property	13	157,500	157,500	-
Intangible assets	14	30,844	36,866	(16)
Property and equipment	15	1,651,701	1,467,178	13
Statutory deposit	16	700,000	500,000	40
Total assets		44,508,144	38,710,185	15
Liabilities				
Insurance contract liabilities	17	14,266,069	11,635,256	23
Trade payables	19	2,388,399	765,141	212
Other payables	20	1,003,260	1,053,785	(5)
Defined benefit obligations	22	195,202	89,659	118
Current tax liabilities	23	133,509	60,257	122
Total liabilities		17,986,440	13,604,099	32
Equity				
Authorized share capital	25	15,000,000	7,000,000	-
Issued and fully paid share capital	25.1	7,000,000	7,000,000	-
Share premium	26	560,294	560,294	-
Contingency reserve	27	3,160,977	2,882,618	10
Retained earnings	28	(2,403,867)	(3,517,299)	-
Assets revaluation reserve	29	828,773	828,773	-
Re-measurement reserve	30.2	5,040	5,040	-
Fair value reserve	30.1	17,370,487	17,346,660	-
Total equity		26,521,704	25,106,086	6
Total liabilities and equity		44,508,144	38,710,185	15

The financial statements were approved on 28 July 2022 and signed on behalf of the Board of Directors by:



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



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



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

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

**Statement of profit or loss and other comprehensive income
for the period ending June 30, 2022**

<i>In thousands of Naira</i>		6 Months to June 2022	6 Months to June 2021	3 Months to June 2022	3 Months to June 2021
Gross premium written	31	8,303,190	6,951,818	3,688,980	2,967,582
Unearned premium	32	(2,432,686)	(2,139,734)	(608,443)	(411,410)
Gross premium income	32	5,870,504	4,812,084	3,080,537	2,556,172
Reinsurance expenses	33	(2,771,474)	(2,416,083)	(1,532,649)	(1,398,944)
Net premium income		3,099,030	2,396,001	1,547,888	1,157,228
Fees and commission income	34	415,765	306,042	242,274	136,383
Net underwriting income		3,514,795	2,702,043	1,790,162	1,293,611
Net claims expenses	35	(1,101,281)	(1,886,028)	(595,405)	(816,019)
Underwriting expenses	36	(2,182,236)	(1,842,712)	(1,156,539)	(1,024,210)
Underwriting Profit/(Loss)		231,279	(1,026,697)	38,219	(546,617)
Investment income	37	2,285,847	1,362,221	1,912,518	374,486
Net fair value (loss)/gains on financial assets at fair value through profit or loss	38	780	(1,337,699)	(107,859)	(430,268)
Other operating income/(loss)	39	197,242	94,590	118,537	79,622
Management expenses	41	(1,250,105)	(1,203,838)	(653,640)	(639,117)
Profit/(Loss) before taxation		1,465,043	(2,111,423)	1,307,774	(1,161,895)
Income taxes	23.1	(73,252)	21,114	(65,389)	(26,362)
Profit/(Loss) after taxation		1,391,791	(2,090,309)	1,242,385	(1,188,257)
Other comprehensive income net of tax					
Items that will be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on available-for-sale financial assets	42	23,827	1,958	(5,598)	(5,134)
Total other comprehensive income, net of tax		23,827	1,958	(5,598)	(5,134)
Items that will not be reclassified subsequently to profit or loss					
Other comprehensive (loss)/income, net of taxes		23,827	1,958	(5,598)	(5,134)
Total comprehensive income for the year		1,415,618	(2,088,351)	1,236,787	(1,193,391)
Basic and diluted earnings per share (kobo)	43	9.9	(20.9)	8.9	(11.9)

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

**Statement of changes in equity
for the period ending June 30, 2022**

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2022	7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,299)	25,106,085
Comprehensive income								
Profit for the year	-	-	-	-	-	-	1,391,791	1,391,791
Other comprehensive income:								
Net fair value changes on AFS financial assets	-	-	-	-	-	23,827	-	23,827
Total comprehensive income	-	-	-	-	-	23,827	1,391,791	1,415,618
Transfer from share premium	-	-	-	-	-	-	(278,359)	(278,359)
Transfer to contingency reserve	-	-	278,359	-	-	-	-	278,359
Transfer from retained earnings	-	-	278,359	-	-	-	(278,359)	-
At 30 June 2022	7,000,000	560,294	3,160,977	828,773	5,040	17,370,487	(2,403,868)	26,521,703

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

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2021	5,000,000	729,044	2,547,773	828,773	13,244	13,948,807	3,308,184	26,375,825
Comprehensive income								
Loss for the year	-	-	-	-	-	-	(3,990,638)	(3,990,638)
Other comprehensive income:								
Remeasurement of defined benefit obligation	-	-	-	-	(8,204)	-	-	(8,204)
Net fair value changes on AFS financial assets	-	-	-	-	-	3,397,853	-	3,397,853
Total comprehensive income	-	-	-	-	(8,204)	3,397,853	(3,990,638)	(600,989)
Transfer from share premium	-	(168,750)	-	-	-	-	-	(168,750)
Transfer from retained earnings	2,000,000	-	334,845	-	-	-	(2,000,000)	334,845
Transfer to contingency reserve	-	-	-	-	-	-	(334,845)	(334,845)
	2,000,000	(168,750)	334,845	-	-	-	(2,334,845)	(168,750)
Transactions with owners of the Company								
Dividend paid	-	-	-	-	-	-	(500,000)	(500,000)
At 31 December 2021	7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,299)	25,106,086

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

**Statement of cash flows
for the period ending June 30, 2022**

	Note	30 June 2022 ₦'000	31 Dec 2021 ₦'000
Cash flows from operating activities			
Premiums received from policy holders	44(b)	7,506,984	11,141,069
Premiums received in advance	19.1	10,195	60,454
Deposit without details	20.2(a)	47,497	278,591
Reinsurance payments	44(d)	(2,880,797)	(4,997,642)
Claims paid	35	(1,422,377)	(3,989,302)
Reinsurance claim recoveries	44(c)	555,981	1,699,447
Salvage recovery	44(c)	83,598	63,146
Commission paid	44(e)	(2,294,660)	(3,115,123)
Maintenance expenses paid	41	(313,559)	(759,461)
Commission received	44(f)	848,154	803,447
Cash payment to and on behalf of employees	44(l)	(410,242)	(789,455)
Other operating cash payments	44(a)	(2,361,583)	(1,650,713)
Corporate tax paid	23	-	(134,032)
Net cash used in operating activities		(630,808)	(1,389,574)
Cash flows from Investing activities			
Purchase of properties and equipment	44(i)	(282,148)	(298,301)
Purchase of intangible assets	14	-	(47,759)
Proceeds from sale of property and equipment	44(j)	29,383	1,091
Purchase of investment securities	44(h)	(2,874,658)	(4,743,993)
Proceeds from sale of investment securities	44(h)	1,376,435	4,168,919
Proceeds from redemption	8.6	-	329,214
Loan repayments	44(h)	39,249	36,778
Dividend received	37	1,686,825	1,212,565
Rental income received	39	-	6,200
Interest received	44(g)	599,022	1,080,792
Net cash from investing activities		574,108	1,745,506
Financing activities			
Payment of additional statutory deposit		(200,000)	-
Payment of finance lease liabilities	44(k)	-	(219)
Dividend paid	28	-	(500,000)
		(200,000)	(500,219)
Net (decrease) / increase in cash and cash equivalents		(256,700)	(144,287)
Cash and cash equivalents at the beginning of the period		3,476,697	3,592,711
Impact of exchange difference on cash held		165,849	28,273
Cash and cash equivalents at end of the period	7	3,385,847	3,476,697

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

Notes to the financial statements

5. Segment reporting

Operating segments

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

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

The following is an analysis of the Company's revenue and result by reportable segment for the period ending June 30, 2022

Income:	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Oil & Gas N'000	Agric N'000	Total N'000
Gross premium written	1,482,264	879,362	1,373,584	570,695	308,314	18,245	359,076	3,288,093	23,557	8,303,190
Net change in unearned premium	(317,877)	(284,816)	(289,796)	(133,865)	(26,465)	(1,385)	(90,881)	(1,279,846)	(7,755)	(2,432,686)
	1,164,387	594,546	1,083,788	436,830	281,849	16,860	268,195	2,008,247	15,802	5,870,504
Reinsurance Expenses	(1,211,722)	(571,259)	(677)	(253,940)	(305,780)	(7,724)	(237,286)	(1,802,789)	(14,300)	(4,405,477)
Movement in Prepaid-Reinsurance Cost	271,647	158,108	19,400	96,759	129,371	634	117,559	835,248	5,277	1,634,003
Re-insurance cost	(940,075)	(413,151)	18,723	(157,181)	(176,409)	(7,090)	(119,727)	(967,541)	(9,023)	(2,771,474)
Net premium income	224,312	181,395	1,102,511	279,649	105,440	9,770	148,468	1,040,706	6,779	3,099,030
Commission received	195,209	99,282	683	66,291	89	2,250	30,440	19,078	2,443	415,765
Net underwriting Income	419,521	280,677	1,103,194	345,940	105,529	12,020	178,908	1,059,784	9,222	3,514,794
Expenses:										
Gross Claims incurred	18,115	(570,417)	(429,093)	(204,452)	(61,121)	(9,043)	(155,639)	(123,898)	(1,356)	(1,536,904)
Recovery on Claims incurred	(122,298)	345,452	61,062	100,193	1,251	-	50,721	(1,329)	571	435,623
Net claims incurred	(104,183)	(224,965)	(368,031)	(104,259)	(59,870)	(9,043)	(104,918)	(125,227)	(785)	(1,101,281)
Acquisition cost	(212,902)	(155,125)	(171,603)	(120,567)	(51,329)	(2,718)	(51,825)	(479,260)	(2,587)	(1,247,916)
Maintenance expenses	(166,792)	(98,952)	(154,563)	(64,218)	(34,693)	(2,053)	(40,405)	(369,994)	(2,651)	(934,321)
	(483,877)	(479,042)	(694,197)	(289,044)	(145,892)	(13,814)	(197,148)	(974,481)	(6,023)	(3,283,518)
Segment underwriting profit/(loss)	(64,356)	(198,365)	408,997	56,896	(40,363)	(1,794)	(18,240)	85,303	3,199	231,278

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

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

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

30 June 2021

Income:	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Oil & Gas N'000	Agric N'000	Total N'000
Gross premium written	1,098,340	651,988	1,279,106	563,262	364,061	8,233	236,936	2,727,960	21,932	6,951,818
Net change in unearned premium	(387,643)	(197,316)	(361,744)	(83,936)	(57,248)	(3,792)	(19,893)	(1,011,507)	(16,657)	(2,139,736)
	710,697	454,672	917,362	479,326	306,813	4,441	217,043	1,716,453	5,275	4,812,081
Reinsurance Expenses	(652,347)	(348,034)	-	(233,327)	(374,472)	(4,263)	(112,813)	(1,634,871)	(10,715)	(3,370,842)
Movement in Prepaid-Reinsurance Cost	103,333	79,554	(187)	15,047	117,306	1,898	19,042	610,594	8,172	954,759
Re-insurance cost	(549,014)	(268,480)	(187)	(218,280)	(257,166)	(2,365)	(93,771)	(1,024,277)	(2,543)	(2,416,083)
Net premium income	161,683	186,192	917,175	261,046	49,647	2,076	123,272	692,176	2,732	2,395,998
Commission Received	135,742	73,156	377	64,428	340	710	23,366	7,288	635	306,042
Net underwriting Income	297,425	259,348	917,552	325,474	49,987	2,786	146,638	699,464	3,367	2,702,040
Expenses:										
Gross Claims incurred	(1,430,855)	(289,710)	(439,928)	(88,544)	(160,840)	(200)	4,292	(453,333)	(1,800.00)	(2,860,918)
Recovery on Claims incurred	861,292	47,298	23,280	30,658	50,000	-	(36,738)	(2,071)	1,170.00	974,889
Net claims incurred	(569,563)	(242,412)	(416,648)	(57,886)	(110,840)	(200)	(32,446)	(455,404)	(630)	(1,886,029)
Acquisition cost	(152,194)	(115,959)	(127,112)	(136,876)	(52,554)	(662)	(38,984)	(366,401)	(679)	(991,421)
Maintenance expenses	(134,498)	(79,840)	(156,634)	(68,975)	(44,581)	(1,008)	(29,014)	(334,055)	(2,686)	(851,289)
	(856,255)	(438,211)	(700,394)	(263,737)	(207,975)	(1,870)	(100,444)	(1,155,860)	(3,995)	(3,728,739)
Segment underwriting profit/(loss)	(558,830)	(178,863)	217,158	61,737	(157,988)	916	46,194	(456,395)	(628)	(1,026,698)

Notes to the financial statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

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

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

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

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

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

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

Analysis of shareholders funds		
<i>In thousand of Naira</i>	30 June 2022	31 Dec 2021
Total assets	44,508,144	38,710,185
Less: Total liabilities	17,986,440	13,604,099
Shareholders funds as at year end	26,521,704	25,106,086
Adjustment for non-capital items	898,891	469,694
Available capital resources	25,622,813	24,636,392
Changes in available capital	4%	14%

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

The Minimum Capital Requirement

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

<i>In thousands of naira</i>	30 June 2022	31 Dec 2021
Total shareholders' funds	26,521,704	25,106,086
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	23,521,704	22,106,086
Capitalisation rate	884%	837%

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

The solvency margin requirement

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

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

Notes to the financial statements

The Company's solvency margin is as follows:

<i>In thousands of naira</i>	30 June 2022	31 Dec 2021
Assets		
Cash and cash equivalents	3,385,847	3,476,697
Financial assets	11,369,215	9,742,322
Trade receivables	867,479	81,468
Other receivables and prepayment	203,821	110,604
Reinsurance assets	6,090,730	4,577,086
Deferred acquisition cost	868,047	432,828
Property and equipment	1,455,858	1,268,982
Intangible Assets	30,844	36,866
Investment Property	157,500	157,500
Statutory deposit	700,000	500,000
Total admissible assets	25,129,342	20,384,353
Liabilities		
Insurance contract liabilities	14,266,069	11,635,256
Trade payables	2,378,204	765,141
Other payables	1,003,260	1,053,785
Defined benefit obligations	195,202	89,659
Current tax liabilities	133,509	60,257
Total admissible liabilities	17,976,244	13,604,098
Excess of total admissible assets over admissible liabilities (solvency margin)	7,153,098	6,780,255
Higher of (a) and (b):		
Gross premium income	5,870,504	10,454,408
Less: Reinsurance expense	(2,771,474)	(5,025,865)
Net premium	3,099,030	5,428,543
(a) 15% of net premium	464,855	814,281
(b) Minimum paid up capital	3,000,000	3,000,000
The higher thereof:	3,000,000	3,000,000
Excess of solvency margin over minimum capital base	4,153,098	3,780,255
Solvency margin ratio	238%	226%

6.2 Insurance risk

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

(a) Types of insurance risk contracts

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

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

(b) Management of insurance risk

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

The principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments, or its timing thereof, exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. In addition, the Company manages this risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

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

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

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

Notes to the financial statements

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

(c) Insurance risk concentration per policy type

Line of business	30 June 2022			;30 June 2021		
	Gross premium	Reinsurance	Net	Gross premium	Reinsurance	Net
<i>In thousands of naira</i>						
Fire	1,482,264	(940,075)	542,189	1,098,340	(549,014)	549,326
Accident	879,362	(413,151)	466,211	651,988	(268,480)	383,508
Motor	1,373,584	18,723	1,392,307	1,279,106	(187)	1,278,919
Marine	570,695	(157,181)	413,514	563,262	(218,280)	344,982
Aviation	308,314	(176,409)	131,905	364,061	(257,166)	106,895
Bond	18,245	(7,090)	11,155	8,233	(2,365)	5,868
Engineering	359,076	(119,727)	239,349	236,936	(93,771)	143,165
Oil & Gas	3,288,093	(967,541)	2,320,552	2,727,960	(1,024,277)	1,703,683
Agric	23,557	(9,023)	14,534	-	-	-
	8,303,190	(2,771,474)	5,531,716	6,929,886	(2,413,540)	4,516,346

(d) Key Assumptions

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

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

(e) Sensitivity Analysis

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

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

(f) Insurance risk concentration per policy type

Line of business	30 June 2022			31 December 2021		
	Gross outstanding claims	Reinsurance recoveries	Net liabilities	Gross outstanding claims	Reinsurance recoveries	Net liabilities
<i>In thousands of naira</i>						
Motor	781,092	80,731	700,361	733,533	61,282	672,251
Fire	3,790,530	1,850,065	1,940,465	4,365,472	2,331,389	2,034,083
General accident	1,514,269	698,619	815,650	1,162,590	472,037	690,553
Engineering	240,301	110,166	130,135	159,063	63,625	95,438
Marine	429,811	125,871	303,940	277,074	50,657	226,416
Bond	11,454	-	11,454	2,411	-	2,411
Aviation	154,315	20,584	133,731	128,624	20,584	108,040
Oil & Gas	2,139,107	766,390	1,372,717	2,034,038	772,935	1,261,103
Agric	6,190	3,203	2,987	6,135	3,476	2,659
	9,067,068	3,655,629	5,411,439	8,868,941	3,775,987	5,092,955

Notes to the financial statements

7 Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2022	31 Dec 2021
	N'000	N'000
Cash in hand	230	445
Balances with banks & other financial institutions (see (b) below)	3,470,725	3,603,673
Allowance for impairment (see (a) below)	(85,109)	(127,421)
Cash and bank balance as at year end	3,385,847	3,476,697

(a) Allowance for impairment

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

(b) These are cash balances and short-term placements with banks and other financial institutions with tenor of 90 days or less. Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and have a maturity of three months or less from the date of acquisition.

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

8 Financial assets

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

	30 June 2022	31 Dec 2021
	N'000	N'000
Fair value through profit or loss (note 8.1)	4,208,319	5,050,881
Available-for-sale (note 8.2)	20,092,175	18,701,618
Loans and receivables (note 8.5)	324,102	141,658
Held to maturity (note 8.6)	5,309,204	3,690,194
	29,933,800	27,584,351
	29,933,799	

Financial instrument classification

	30 June 2022				
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
<i>In thousands of Naira</i>					
- Listed	4,208,319	2,400,146	-	810,410	7,418,875
- Unlisted	-	17,692,029	-	4,498,794	22,190,823
- Other financial assets	-	-	324,102	-	324,102
	4,208,319	20,092,175	324,102	5,309,204	29,933,800
Within one year	4,208,319	-	324,102	5,309,204	9,841,625
More than one year	-	20,092,175	-	-	20,092,175
	4,208,319	20,092,175	324,102	5,309,204	29,933,800

Financial instrument classification

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

8.1 Fair value through profit or loss

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

	30 June 2022	31 Dec 2021
<i>In thousands of Naira</i>		
Balance as at the beginning of the year	5,050,881	8,655,489
Addition during the year	533,093	1,832,801
Disposal during the year	(1,376,435)	(4,168,919)
	4,207,539	6,319,371
Fair value (loss)/gain	780	(1,268,490)
Balance as at the end of the year	4,208,319	5,050,881

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

Notes to the financial statements

8.2 Available for sale

Available for sale financial assets comprise:

In thousands of Naira

Unquoted equities - at FVTOCI (see (a) below)

Equity mutual funds

Bonds at FVTOCI

Unquoted equities - at cost

30 June 2022	31 Dec 2021
17,628,000	17,628,000
1,527,590	859,589
872,556	150,000
64,029	64,029
20,092,175	18,701,618

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

Summary of Significant Assumptions

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

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

Sensitivity Analysis

As at 30 June 2022

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

At 31 December 2021

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

Notes to the financial statements

8.5 Loans and receivables

	30 June 2022	31 Dec 2021
<i>In thousands of Naira</i>	N'000	N'000
Due from third parties (see note a below)	239,297	200,048
Loan to staff	159,776	32,230
Loan to policy holders	13,655	13,655
Ex-staff loans	36,606	36,863
	449,334	282,796
Allowance for impairment	(125,232)	(141,138)
	324,102	141,658

(a) Breakdown of Due from third parties

	30 June 2022	31 Dec 2021
<i>In thousand of Naira</i>	N'000	N'000
Lease Fin. - Olumegbon	297	297
Tsf Fin. - Lease Fin.	927	927
Pine Hill Leasing	78,315	39,793
Lease-Glc Resources	4,374	4,374
Konikolo Trust Fund	49,087	49,087
Sunfair Comm. Prod. Ltd	1,500	1,500
Aquila Leasing Ltd.	32,949	58,020
Taxaide Global	21,680	46,050
Credit Capital	50,168	-
Total	239,297	200,048

8.6 Held to maturity

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Balance at the beginning of the year	3,701,386	1,520,658
Redemption/Repayment during the year	-	(329,214)
Additions during the period	1,619,010	2,509,942
	5,320,396	3,701,386
Impairment loss	(11,192)	(11,192)
Balance at the end of the year	5,309,204	3,690,194

9 Trade receivables

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Due from broker	867,479	81,468
	867,479	81,468

9.1 Analysis of debtors in days

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Within 30 days	867,479	81,468
	867,479	81,468

10 Reinsurance assets

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021	Changes during the
Prepaid reinsurance (note 10(a))	2,435,101	801,100	1,634,001
Reinsurance recoverable on outstanding claims (note 10(b))	2,885,712	3,006,069	(120,357)
Due from Reinsurers (see note (i) below)	18,577	62,557	(43,980)
Reinsurance projection on IBNR (note 10(c))	769,917	769,917	-
	6,109,307	4,639,643	1,469,664

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

(a) Movement in prepaid reinsurance costs

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Balance at the beginning of the year	801,100	852,723
Additions during the year	4,405,475	4,974,242
Reinsurance expense in the year (see note 33.1)	(2,771,474)	(5,025,865)
Balance at the end of the year	2,435,101	801,100

(b) Movement in reinsurance recoverable on outstanding claims

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Balance at the beginning of the year	3,006,069	1,239,009
Recoveries during the year (see note 17.1(a))	(120,357)	1,767,060
Balance at the end of the year	2,885,712	3,006,069

Notes to the financial statements

(c) Movement in reinsurance recoverable on IBNR projection

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Balance at the beginning of the year	769,916	144,014
Changes during the year (see note 17.1(c))	-	625,902
Balance at the end of the year	769,916	769,916

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

10.1 Breakdown of prepaid reinsurance is as follows:

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Motor	19,400	-
Fire	593,415	321,768
General accident	265,658	107,551
Engineering	172,870	55,312
Marine	197,293	100,533
Bond	1,245	611
Aviation	161,716	32,345
Agric	15,325	10,049
Oil & Gas	1,008,180	172,931
	2,435,102	801,100

11 Deferred acquisition cost

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

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Motor	95,181	75,824
Fire	124,431	103,596
Accident	92,545	41,223
Engineering	36,009	26,711
Marine	59,849	33,677
Bond	620	182
Aviation	19,113	13,407
Oil & Gas	345,640	135,247
Agric	1,992	2,961
	868,047	432,828

11.2 Movement in the deferred acquisition costs

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Balance at the beginning of the year	432,828	328,812
(Decrease) / increase during the year (see note 36.1)	435,218	104,016
Balance at the end of the year	868,047	432,828

12 Other receivables and prepayments

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Prepayments (see (a) below)	647,119	204,565
Other receivables (see (b) below)	162,712	135,301
	809,831	339,866
Allowance for impairment	(6,211)	(6,211)
	803,620	333,655

(a) Prepayments

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Prepaid staff benefits	203,821	110,604
Deposits with stock broker	2,602	2,602
Prepaid rent	42,098	49,048
Other prepaid expenses	398,598	42,311
	647,119	204,565

(b) Other receivables

<i>In thousands of Naira</i>	30 June 2022	31 Dec 2021
Withholding tax recoverable	136,306	112,561
Sundry receivables (see (i) below)	26,406	22,740
	162,712	135,301
Allowance for impairment (see (ii) below)	(6,211)	(6,211)
	156,501	129,090

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

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

Notes to the financial statements

13 Investment properties

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

S/N Location of asset	Carrying amount as at 1 January 2022	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 30 June 2022
	N'000	N'000	N'000	N'000	N'000	N'000
1 No. 9C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	3,750	78,750
2 No. 11C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	3,750	78,750
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>157,500</u>

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

(b) Reconciliation of carrying amount

In thousands of Naira

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

(c) Measurement of fair values

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

In thousands of Naira

	30 June 2022	31 Dec 2021
Level 1	-	-
Level 2	-	-
Level 3	157,500	157,500
	<u>157,500</u>	<u>157,500</u>

Valuation technique and significant unobservable inputs

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

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

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

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

14 Intangible assets

In thousands of Naira

Cost

	30 June 2022	31 Dec 2021
Balance at the beginning of the year	114,906	67,147
Addition during the year	-	47,759
Balance at the end of the year	<u>114,906</u>	<u>114,906</u>

Accumulated Amortisation

	30 June 2022	31 Dec 2021
Balance at the beginning of the year	78,040	65,948
Charge for the year	6,022	12,092
Balance at the end of the year	<u>84,062</u>	<u>78,040</u>

Net Book Value

	30 June 2022	31 Dec 2021
Balance at the end of the year	<u>30,844</u>	<u>36,866</u>

Notes to the financial statements

15 Property and equipment

30 June 2022

In thousands of Naira

Cost/valuation

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
At 1 January 2022	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946
Additions	-	-	217,867	7,025	57,256	-	282,148
Disposal	-	-	(63,352)	(230)	(139)	-	(63,721)
30 June 2022	847,420	287,817	1,008,466	163,012	294,796	85,861	2,687,373

Accumulated depreciation

At 1 January 2022	-	94,542	588,285	144,218	174,723	-	1,001,768
Charge for the year	-	2,352	73,998	3,086	18,188	-	97,624
Disposal	-	-	(63,352)	(230)	(139)	-	(63,721)
30 June 2022	-	96,894	598,931	147,074	192,772	-	1,035,671

Carrying amount

30 June 2022	847,420	190,924	409,534	15,939	102,024	85,861	1,651,701
At 31 December 2021	847,420	193,276	265,665	12,000	62,956	85,861	1,467,178

Property and equipment

At 31 December 2021

In thousands of Naira

Cost/valuation

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
At 1 January 2021	847,420	287,817	581,711	153,924	376,237	85,861	2,332,970
Additions	-	-	272,240	4,689	21,372	-	298,301
Disposal	-	-	-	(2,396)	(159,929)	-	(162,325)
Revaluation loss	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
At 31 December 2021	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946

Accumulated depreciation

At 1 January 2021	-	89,837	452,187	140,572	300,858	-	983,454
Charge for the year	-	4,704	136,099	5,987	32,800	-	179,590
Disposal	-	-	-	(2,342)	(158,934)	-	(161,276)
At 31 December 2021	-	94,542	588,285	144,218	174,723	-	1,001,768

Carrying amount

At 31 December 2021	847,420	193,276	265,665	12,000	62,957	85,861	1,467,178
At 31 December 2020	847,420	197,980	129,524	13,352	75,379	85,861	1,349,516

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

Class of PPE

In thousands of Naira

	30 June 2022			31 December 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	-	-	847,420	-	-	847,420
Building	-	-	190,924	-	-	193,276
Building (work in progress)	-	-	85,861	-	-	85,861
	-	-	1,124,205	-	-	1,126,557

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

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

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

Name of property	Date of acquisition	Title document	Location	Carrying amount	Steps taken for perfection of document
Land and Building In Lekki express way	20-Nov-05	Deed of Assignment	Plot 20, Block 94, Lekki express way	769,681	Lagos State Governor Consent obtained on 26/09/2016
Land and Building at Ilupeju	12-Mar-02	Deed of Assignment	11A, Coker road, ilupeju, Lagos State	98,100	The company had applied to register the deed of assignment with the Lagos State Lands Registry
Land in Yenagoa	30-Apr-12	Letter of allocation by Bayelsa State Government	Central business district Swali, Yenagoa, Bayelsa State	55,000	The company had applied to register the allocation letter with the Bayelsa State Lands Registry
Linkage Millennium Tower, Port Harcourt	26-Sep-03	Deed of Assignment	Amadi layout along Port Harcourt/ Aba Express road	208,480	The company had applied to register the deed of assignment with the Rivers State Ministry of Lands
				<u>1,131,261</u>	

Notes to the financial statements

16 Statutory deposit	30 June 2022	31 Dec 2021
	₦'000	₦'000
Statutory deposit with CBN	700,000	500,000

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

17 Insurance contract liabilities	30 June 2022	31 Dec 2021
	₦'000	₦'000
Provision for claims reported by policyholders (note 17.1(a))	6,256,644	6,107,518
Provision for IBNR (note 17.1(c))	2,810,423	2,761,423
Outstanding claims provision	9,067,067	8,868,941
Provision for unearned premium (note 17.2)	5,199,002	2,766,315
Total insurance contract liabilities	14,266,069	11,635,256

17.1 Analysis of claims reserve based on nature

	30 June 2022			31 Dec 2021		
<i>In thousands of Naira</i>	Gross claims	Reinsurance	Net	Gross claims	Reinsurance	Net
Reported claims (see (a) below)	6,256,644	2,885,712	3,370,932	6,107,518	3,006,069	3,101,449
IBNR (see (c) below)	2,810,423	769,917	2,040,506	2,761,423	769,917	1,991,506
	9,067,067	3,655,629	5,411,438	8,868,941	3,775,986	5,092,955

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

	30 June 2022			31 Dec 2021		
<i>In thousands of Naira</i>	Reported claims	Reinsurance	Net	Reported claims	Reinsurance	Net
Balance at the beginning of the year	6,107,518	3,006,069	3,101,449	2,774,646	1,239,009	1,535,637
Movement during the year	149,126	(120,357)	269,483	3,332,872	1,767,060	1,565,812
Balance at the end of the year	6,256,644	2,885,712	3,370,932	6,107,518	3,006,069	3,101,449

Analysis of outstanding claims per class of business:

	30 June 2022			31 Dec 2021		
<i>(b) In thousands of Naira</i>	Gross Outstanding claims	Reinsurance recoveries	Net	Gross Outstanding claims	Reinsurance recoveries	Net
Motor	458,051	68,352	389,698	416,124	48,903	367,228
Fire	2,385,171	1,662,662	722,509	2,984,614	2,143,986	840,628
General accident	1,357,718	686,063	671,655	1,008,769	459,480	549,289
Engineering	207,907	120,341	87,566	127,234	73,800	53,435
Marine	348,315	113,295	235,020	196,999	38,081	158,912
Bond	9,000	-	9,000	-	-	-
Aviation	100,018	12,500	87,518	75,275	12,500	62,775
Oil & Gas	1,385,776	219,745	1,166,031	1,293,843	226,291	1,067,553
Agric	4,688	2,754	1,934	4,660	3,029	1,631
	6,256,644	2,885,712	3,370,933	6,107,518	3,006,069	3,101,449

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

	30 June 2022			31 Dec 2021		
<i>In thousands of Naira</i>	IBNR claims	Reinsurance	Net	IBNR claims	Reinsurance	Net
At the beginning of the year	2,761,423	769,917	1,991,506	894,791	144,014	750,777
Movement during the year	49,000	-	49,000	1,866,632	625,903	1,240,729
At the end of the year	2,810,423	769,917	2,040,506	2,761,423	769,917	1,991,506

Analysis of IBNR claims per class of business:

	30 June 2022			31 December 2021		
<i>In thousands of Naira</i>	IBNR claims	Reinsurance recoveries	Net	IBNR claims	Reinsurance recoveries	Net
Motor	323,041	12,379	310,662	317,409	12,379	305,030
Fire	1,405,360	187,404	1,217,956	1,380,857	187,404	1,193,454
General accident	156,551	12,557	143,994	153,821	12,557	141,264
Engineering	32,394	(10,174)	42,568	31,829	(10,174)	42,003
Marine	81,496	12,575	68,921	80,075	12,576	67,499
Bond	2,454	-	2,454	2,411	-	2,411
Aviation	54,296	8,084	46,212	53,350	8,084	45,266
Agric	1,501	448	1,053	1,475	448	1,028
Oil & Gas	753,330	546,644	206,686	740,196	546,644	193,552
	2,810,423	769,917	2,040,506	2,761,423	769,917	1,991,506

Notes to the financial statements

17.2 Breakdown of unearned premium per class of business:

	30-Jun-22			31-Dec-21		
	Unearned Premium	Prepaid Reinsurance	Net	Unearned Premium	Prepaid Reinsurance	Net
<i>In thousands of Naira</i>						
Motor	1,008,566	19,400	989,166	718,770	-	718,770
Fire	1,025,228	593,415	431,813	707,350	321,768	385,582
General accident	520,130	265,658	254,472	235,314	107,551	127,763
Engineering	237,806	172,870	64,936	146,925	55,312	91,613
Marine	325,579	197,293	128,286	191,713	100,533	91,180
Bond	2,539	1,245	1,295	1,154	611	543
Aviation	98,177	161,716	(63,539)	71,711	32,345	39,366
Oil & Gas	1,956,532	1,008,180	948,352	676,686	172,931	503,754
Agric	24,446	15,325	9,121	16,691	10,049	6,643
	5,199,002	2,435,101	2,763,900	2,766,315	801,100	1,965,215

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

	30-Jun-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	2,766,315	801,100	1,965,215	2,059,224	852,723	1,206,501
Premium written in the year	8,303,190	4,405,475	3,897,715	11,161,499	4,974,242	6,187,257
Premium earned during the year	(5,870,504)	(2,771,474)	(3,099,030)	(10,454,409)	(5,025,865)	(5,428,544)
Balance at the end of the year	5,199,001	2,435,101	2,763,900	2,766,315	801,100	1,965,215

	30-Jun-22			31-Dec-21		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Unexpired risk reserve	2,766,315	801,100	1,965,215	2,059,224	852,723	1,206,501
Additional unexpired risk reserve	2,432,686	1,634,003	798,683	707,091	(51,624)	758,715
Balance at the end of the year	5,199,002	2,435,101	2,763,901	2,766,315	801,100	1,965,215

18 Hypothecation

	30-Jun-22			31-Dec-21		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	3,035,847	350,000.00	3,385,847	3,376,697	100,000	3,476,697
Financial assets	7,413,364	22,520,437	29,933,800	3,690,194	23,894,157	27,584,351
Reinsurance assets	6,109,307	-	6,109,307	4,639,643	-	4,639,643
Deferred acquisition cost	-	868,047	868,047	-	432,828	432,828
Other receivables and prepayments	-	803,620	803,620	-	333,655	333,655
Investment properties	-	157,500	157,500	-	157,500	157,500
Intangible assets	-	30,844	30,844	-	36,866	36,866
Property and equipment	-	1,651,701	1,651,701	-	1,467,178	1,467,178
Statutory deposit	-	700,000	700,000	-	500,000	500,000
Total assets	16,558,517	27,082,149	43,640,666	11,706,534	26,922,184	38,628,717
Liabilities						
Insurance contract liabilities	14,266,069	-	14,266,069	11,635,256	-	11,635,256
Trade payables	-	2,388,399	2,388,399	-	765,141	765,141
Other payables	-	1,003,260	1,003,260	-	1,053,785	1,053,785
Defined benefit obligations	-	195,202	195,202	-	89,659	89,659
Income tax liabilities	-	133,509	133,509	-	60,257	60,257
Total liabilities	14,266,069	3,720,370	17,986,439	11,635,256	1,968,842	13,604,098
GAP	2,292,448	23,361,778	25,654,226	71,278	24,953,342	25,024,619

Notes to the financial statements

19 Trade payables

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Insurance payables (note 19.1)	2,388,399	765,141
	2,388,399	765,141

19.1 Insurance payables

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Commission payables to brokers	287,589	139,177
Premium received in advance	10,195	60,454
Due to re-insurers (see 'a' below)	2,006,205	481,525
Other payables to agents and brokers	84,410	83,985
	2,388,399	765,141

Movement in insurance payables

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Balance at the beginning of the year	765,141	704,169
Addition in the year	1,623,258	60,972
Balance at the end of the year	2,388,399	765,141

- (a) This is a payable to reinsurance companies as at 30 June 2022

20 Other payables

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Due to Auditors	7,501	4,838
NAICOM levy	83,032	111,615
Expenses payable (see note 20.1)	128,770	139,567
Deferred commission revenue (see (a) below)	373,287	159,844
Other payables (see note 20.2a)	64,670	291,921
Provision for litigation (see note 20.2b)	346,000	346,000
	1,003,260	1,053,785

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

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Deferred commission income as at 1 January	159,844	175,234
Fees and commission received during the year	823,104	818,839
Fees and commission earned during the year (see note 34.2)	(609,661)	(834,229)
Deferred commission income at the end of the period	373,287	159,844

20.1 Expenses payable

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Expenses accrued (see (i) below)	128,770	139,567
	128,770	139,567

- (i) This represents expenses incurred during the year by the Company but for which bills/invoices have not been received from vendors as at 30 June 2022.

20.2 Other liabilities

(a) Other payables

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Travel insurance	975	975
National Housing Fund (NHF)	1,027	1,025
Pension for Life agents/Company	633	604
Deposit without details (see (c) below)	47,497	278,591
Sundry payables	14,538	10,724
	64,670	291,919

(b) Provisions

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Provision for litigation (see (i) below)	346,000	346,000

- (i) Included in provision for litigation is additional provision of N243 million which represents estimated outflow from a judgment delivered against the Company during the year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adequate Demilade with FRC number FRC/2021/002/00000022694. The total estimated liability as at June 2022 is N346million (2021: N346million). The case is currently being appealed at the Court of Appeal.
- (c) These are payments for which the purpose have not been identified as at reporting date.

Notes to the financial statements

21 Finance lease obligation

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

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

	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	N'000	N'000	N'000	N'000	N'000	N'000
Not later than one year	-	-	-	-	-	-
	-	-	-	-	-	-

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	N'000	N'000	N'000	N'000	N'000	N'000
At the beginning of the year	189,430	161,560	(99,771)	(98,579)	89,659	62,981
Current service cost	20,745	34,625	-	-	20,745	34,625
Past service cost	-	-	-	-	-	-
Interest cost (income)	-	14,356	-	(14,329)	-	27
Contribution by employer	-	-	-	-	-	-
Benefits paid by the employer	(14,972)	(14,604)	-	14,604	(14,972)	-
Actuarial (gain)/loss on liability arising from:	-	-	-	-	-	-
- Assumptions	-	(14,116)	99,771	(1,466)	99,771	(15,582)
- Experience	-	7,609	-	-	-	7,609
At the end of the year	195,203	189,430	(1)	(99,771)	195,202	89,659

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

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

23 Income tax liabilities

In thousands of Naira

	30 June 2022	31 Dec 2021
At the beginning of the period	60,257	82,565
Charge for the year (note 23.1)	73,252	31,941
Back duty assessment	-	79,783
Payment during the period	-	(134,032)
At the end of the period	133,509	60,257

23.1 Tax charge

In thousands of Naira

	30 June 2022	31 Dec 2021
Income tax (CIT)	73,252	-
Minimum tax expense	-	31,941
	73,252	31,941
Back duty assessment	-	79,783
Tax expense/(credit)	73,252	111,724
	73,252	111,724

24 Deferred taxation

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

Notes to the financial statements

	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
25 Share capital		
Authorized - ordinary shares of 50k each (30,000,000,000 units)	<u>15,000,000</u>	<u>15,000,000</u>
25.1 Issued and fully paid	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
Authorized - ordinary shares of 50k each (14,000,000,000 units)	<u>7,000,000</u>	<u>7,000,000</u>
At the beginning of the year	-	-
Additions	-	-
Recognition of share fractions	-	-
At the end of the year	<u>7,000,000</u>	<u>7,000,000</u>
26 Share premium	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
At the end of the year	<u>560,294</u>	<u>560,294</u>
27 Contingency reserve	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
At the beginning of the year	2,882,618	2,547,773
Transfer from retained earnings (see Note 28)	278,359	334,845
At the end of the year	<u>3,160,977</u>	<u>2,882,618</u>
Contingency reserve for general insurance business is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act of Nigeria, as the higher of 3% of gross premiums and 20% of net profit for the year.		
28 Retained earnings	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
At the beginning of the year	(3,517,299)	3,308,185
Profit for the year	1,391,791	(3,990,638)
Transfer to contingency reserve (see Note 27)	(278,359)	(334,845)
Bonus share issue	-	(2,000,000)
Cash dividend	-	(500,000)
At the end of the year	<u>(2,403,867)</u>	<u>(3,517,299)</u>
29 Assets revaluation reserve	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
At the beginning of the year	828,773	828,773
Revaluation gain/(loss) on property and equipment	-	-
At the end of the year	<u>828,773</u>	<u>828,773</u>

The asset revaluation reserves comprises cumulative net revaluation change on revalued Property and Equipment. The last revaluation of land and buildings was done in December 2020.

30 Other reserves

Other reserves include fair value and re-measurement reserves. The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments while the re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan. These are presented below:

30.1 Fair value reserve	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
Balance as at 31 December	<u>17,370,487</u>	<u>17,346,660</u>
30.2 Re-measurement reserve	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	<u>₦'000</u>	<u>₦'000</u>
Balance as at 31 December	<u>5,040</u>	<u>5,040</u>

Notes to the financial statements

31 Gross premium written

	30 June 2022	30 June 2021
	₦'000	₦'000
Direct premium (note 31.1)	8,175,386	6,784,372
Inward premium (note 31.1)	127,804	167,446
	8,303,190	6,951,818

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

30 June 2022	Direct premium ₦'000	Inward premium ₦'000	Total ₦'000
Fire	1,460,655	21,609	1,482,264
Accident	863,415	15,947	879,362
Motor	1,332,850	40,734	1,373,584
Marine	536,085	34,610	570,695
Aviation	305,602	2,712	308,314
Bond	18,245	-	18,245
Engineering	346,928	12,148	359,076
Oil & Gas	3,288,093	-	3,288,093
Agric	23,513	44	23,557
	8,175,386	127,804	8,303,190

30 June 2021	Direct premium ₦'000	Inward premium ₦'000	Total ₦'000
Fire	1,059,730	38,610	1,098,340
Accident	624,316	27,672	651,988
Motor	1,234,524	44,582	1,279,106
Marine	522,269	40,993	563,262
Aviation	359,366	4,695	364,061
Bond	8,233	-	8,233
Engineering	230,645	6,291	236,936
Oil & Gas	2,723,681	4,279	2,727,960
Agric	21,608	324	21,932
	6,784,372	167,446	6,951,818

32 Gross premium income

	30 June 2022	30 June 2021
	₦'000	₦'000
Gross premium written (note 31)	8,303,190	6,951,818
Changes in reserve for unexpired risks (note 17.2)	(2,432,686)	(2,139,734)
	5,870,504	4,812,084

33 Reinsurance expenses

	2,771,474	2,416,083
--	------------------	------------------

33.1 Premium ceded to reinsurance:

	30 June 2022	30 June 2021
	₦'000	₦'000
Reinsurance premium (Treaty)	3,949,082	2,759,887
Facultative outwards	456,395	610,955
Total reinsurance cost	4,405,477	3,370,842
Increase/(Decrease) in prepaid reinsurance	(1,634,003)	(954,759)
	2,771,474	2,416,083

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

	30 June 2022	30 June 2021
	₦'000	₦'000
Fire	940,075	549,014
Accident	413,151	268,480
Motor	(18,723)	187
Marine	157,181	218,280
Aviation	176,409	257,166
Bond	7,090	2,365
Engineering	119,727	93,771
Oil & Gas	967,541	1,024,277
Agric	9,023	2,543
	2,771,474	2,416,083

Notes to the financial statements

34 Fees and commission income	415,765	306,042
34.1 Breakdown of fees and commission income per business class is as follows:		
	30 June 2022	30 June 2021
	₦'000	₦'000
Fire	195,209	135,742
Accident	99,282	73,156
Motor	683	377
Marine	66,291	64,428
Aviation	89	340
Bond	2,250	710
Engineering	30,440	23,366
Agric	2,443	635
Oil & Gas	19,078	7,288
	415,765	306,042
34.2 Breakdown of fees and commission income is as follows:		
	30 June 2022	30 June 2021
	₦'000	₦'000
Lead underwriting commission	14,046	3,866
Reinsurance commission (Note 20(a))	609,661	400,294
Profit Comm. & Comm. Adjustment	5,502	(12,525)
Changes in deferred commission revenue	(213,445)	(85,593)
	415,764	306,042
35 Net claims expenses	30 June 2022	30 June 2021
	₦'000	₦'000
Gross claims paid	1,422,377	1,389,108
Movement in IBNR reserve (see note 17.1(c))	49,000	25,495
Movement in reserve for outstanding claims	149,126	1,458,650
Gross claims incurred	1,620,503	2,873,253
Salvage recovery	(83,598)	(12,337)
Claims recovered and recoverable from reinsurers (see (a) below)	(435,624)	(974,888)
	1,101,281	1,886,028
a) Analysis of claims recovered and recoverable from reinsurers	30 June 2022	30 June 2021
	₦'000	₦'000
Reinsurance claims recoveries (see note 44c)	555,981	301,658
Change in re-insurance recoverable (see note 10b)	(120,357)	673,230
	435,624	974,888
36 Underwriting expenses	30 June 2022	30 June 2021
	₦'000	₦'000
Acquisition expenses (note 36.1)	1,868,677	1,541,713
Maintenance expenses (note 36.2)	313,559	301,000
	2,182,236	1,842,712
36.1 Analysis of acquisition expenses	30 June 2022	30 June 2021
	₦'000	₦'000
Commission expense	1,443,987	1,229,908
Business acquisition cost	859,908	710,883
Movement in deferred acquisition cost (see note 11.2)	(435,218)	(399,079)
	1,868,677	1,541,713
36.2 Analysis of maintenance expenses	30 June 2022	30 June 2021
	₦'000	₦'000
Staff costs (see note 41)	197,560	181,531
Directors' emoluments (see note 41)	12,402	18,958
Retirement benefit cost (see note 41)	18,130	32,860
Other operating expenses (note 41)	85,466	67,651
	313,559	301,000

Notes to the financial statements

The above expenses represent part of the entity's operating expenses that were allocated to operations. Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively.

Other operating expenses are expenses incurred relating to the Company's core business excluding staff costs, directors' emoluments and retirement benefit costs.

37 Investment income	30 June 2022	30 June 2021
	₦'000	₦'000
Dividend income	1,686,825	837,573
Interest income	599,022	524,648
Investment income per statement of profit or loss and OCI	2,285,847	1,362,221
Investment income for hypothecation	2,285,847	1,362,221
37.1 Hypothecation of investment income	30 June 2022	30 June 2021
	₦'000	₦'000
Investment income that relate to policyholders (note 37.2)	115,568	68,351
Investment income that relate to shareholders (note 37.3)	2,170,279	1,293,870
	2,285,847	1,362,221
37.2 Investment income that relate to policy holders	30 June 2022	30 June 2021
	₦'000	₦'000
Income from money market	115,568	68,351
	115,568	68,351
37.3 Investment income that relate to shareholders	30 June 2022	30 June 2021
	₦'000	₦'000
Dividend income (<i>see a below</i>)	1,686,825	837,573
Income from bonds	294,326	354,543
Other investment income	189,128	99,683
	2,170,279	1,293,870
(a) The investment income was buoyed by the dividend income of N1.5billion received from Stanbic IBTC Pension Managers Ltd.		
38 Net fair value gains/(loss) on financial assets at fair value through profit or loss	30 June 2022	30 June 2021
	₦'000	₦'000
Fair value change on FVTPL securities	780	(1,337,699)
39 Other operating (loss)/income (net)	30 June 2022	30 June 2021
	₦'000	₦'000
Sundry income	2,010	510
Gain on sale of property & equipment	29,383	18
Exchange gains	165,849	91,062
Rental income	-	3,000
	197,242	94,590
40 Fair value changes in property and equipment	30 June 2022	30 June 2021

Notes to the financial statements

41 Maintenance and management expenses

Maintenance and management expenses comprise:

In thousands of Naira

	30 June 2022		30 June 2021	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
Staff cost	197,560	296,340	181,531	272,296
Director emoluments	12,402	18,604	18,958	28,436
Pension contribution	6,858	10,286	6,754	10,131
Retirement benefits	11,273	16,909	26,106	39,160
Outsourcing cost	35,805	53,708	29,312	43,968
Advertising & publicity	3,838	5,758	3,052	4,577
Marketing expenses	6,240	9,361	6,133	9,200
Medical	9,596	14,395	9,220	13,831
Staff training & development	23,130	34,695	9,680	14,521
Corporate Expense	6,855	-	10,253	-
AGM expenses	-	6,000	-	9,000
Bank charges	-	25,166	-	24,448
Depreciation & amortisation	-	103,646	-	97,731
Diesel and fuel	-	49,761	-	31,057
Entertainment	-	759	-	408
Industrial training fund	-	6,196	-	13,900
Insurance expenses	-	10,372	-	9,837
Insurance supervision fee	-	108,373	-	78,545
Legal and secretarial expenses	-	1,709	-	16,729
Retail agents expenses	-	13,298	-	14,562
Lighting & heating	-	6,377	-	7,326
Maintenance expense	-	89,873	-	76,520
Newspapers & periodicals	-	1,401	-	1,736
Postage and telephone	-	16,749	-	15,369
Consultancy expenses	-	48,435	-	93,208
Rent & rate	-	32,096	-	23,713
Stationaries	-	9,834	-	8,971
Subscriptions, contributions & donations	-	13,610	-	9,689
Transport and business travels	-	11,659	-	7,063
Withholding tax & VAT	-	85,869	-	51,691
Audit fee	-	8,500	-	13,813
Rebranding expenses	-	122,208	-	129,980
Others	-	18,159	-	32,422
Total	313,559	1,250,105	301,000	1,203,838

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

	30 June 2022	30 June 2021
	N'000	N'000
Fair value gain / (loss) in available-for-sale investments - unquoted equities	23,827	1,958
	23,827	1,958

43 Basic and diluted earnings per share

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

	30 June 2022	31 Dec 2021
Profit attributable to ordinary shareholders (N'000)	1,391,791	2,395,012
Weighted average number of ordinary shares	14,000,000	14,000,000
Basic and diluted earnings per share (Kobo)	9.9	17.1

Notes to the financial statements

44 Cashflow reconciliation

a) Other operating cash payments

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Management expenses (less staff expenses)	(839,863)	(1,877,487)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(2,432,686)	(707,091)
Depreciation and amortisation expense	103,646	191,682
Impairment loss	-	35,788
Exchange gain/loss	(91,153)	28,273
Sundry loss/(income)	4	(1,132)
Loss/(Profit) on sale of PPE	(29,383)	(42)
Operating cash flows before movements in working capital	(3,289,435)	(2,330,009)
Changes in trade payables	1,623,258	60,972
Changes in trade payables (Provision for Litigation)	-	243,000
Changes in insurance contract liabilities	198,125	5,199,504
Other sundry (payable)/receivable	-	95,649
Changes in Other receivables and prepayment	(520,729)	167,476
Changes in outstanding claims	(198,126)	(5,199,504)
Changes in other payables	(174,676)	112,199
	(2,361,583)	(1,650,713)

b) Premium received from policy holders

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Trade receivable at 1 January	81,468	63,974
Gross premium written during the year	8,303,190	11,161,499
Trade receivable at end of the period	(867,479)	(81,468)
Premium received in advance	(10,195)	(2,936)
	7,506,984	11,141,069

c) Recovery and recoverable from reinsurers

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance claims recoveries (note 35(a))	555,981	1,699,447
Salvage recovery (note 35)	83,598	63,146
	639,579	1,762,593

d) Reinsurance premium paid

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Reinsurance premium cost (note 33.1)	3,949,082	4,077,989
Facultative outwards (note 33.1)	456,395	896,252
Due to reinsurers as at end of the period	(2,006,205)	(481,525)
Movement in treaty premium surplus	481,525	504,926
	2,880,797	4,997,642

e) Commission paid

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Commission payable to brokers at 1 January	139,177	96,037
Commission cost (Note 36.1)	1,443,987	1,932,506
Business acquisition cost (Note 36.1)	859,908	1,225,757
Commission payable to brokers at 30 June	(148,412)	(139,177)
	2,294,660	3,115,123

f) Commission received

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Deferred commission revenue at 1 January	(159,844)	(175,234)
Deferred commission revenue at 30 June	373,287	159,844
Movement	213,443	(15,390)
Commission income earned during the year	615,163	739,614
Profit Comm. & Comm. Adjustment	5,502	71,410
Lead underwriting commission	14,046	7,813
Commission income received during the year	848,154	803,447

g) Interest received

In thousands of Naira

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Interest income earned during the year	599,022	1,080,792
Interest received during the year	599,022	1,080,792

Notes to the financial statements

h) Movement in financial assets

30 June 2022

<i>In thousands of Naira</i>	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	533,093	722,556	-	1,619,010	2,874,659
Disposals/redemption	(1,376,435)	-	127,289	-	(1,249,146)
Loan repayment	-	-	(39,249)	-	(39,249)
Impairment	-	-	19,882	-	19,882
Fair value (loss)/gain	780	-	-	-	780
	(842,562)	722,556	107,922	1,619,010	1,606,926

Movement in financial assets

31 Dec 2021

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

i) Purchase of property and equipment

In thousands of Naira

Addition for the year per movement schedule
Cash flow on addition to property and equipment

30 June 2022	31 Dec 2021
₦'000	₦'000
282,148	298,301
282,148	298,301

j) Sale of property and equipment

In thousands of Naira

Costs of assets disposed
Accumulated depreciation on assets disposed
Proceeds on sale of disposed asset
Profit/(Loss) on disposal

30 June 2022	31 Dec 2021
₦'000	₦'000
63,721	162,325
(63,721)	(161,276)
(29,383)	(1,091)
(29,383)	(42)

k) Finance lease obligation

In thousands of Naira

Balance at the beginning of the year
Payments made during the year
Balance at the end of the year (see note 21)

30 June 2022	31 Dec 2021
₦'000	₦'000
-	219
-	(219)
-	-

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

In thousands of Naira

Staff cost
Director emolument
Pension contribution
Retirement benefits
Contract staff cost
Medical

30 June 2022	31 Dec 2021
₦'000	₦'000
296,340	536,704
18,604	66,114
10,286	20,101
16,909	45,455
53,708	92,322
14,395	28,759
410,242	789,455

45 Cash and cash equivalents

	30 June 2022	31 Dec 2021
	₦'000	₦'000
Cash in hand	230	445
Balances with banks & other financial institutions	3,385,617	3,476,252
	3,385,847	3,476,697

46 Related party disclosures

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

46.1 Sale of insurance contracts

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

Notes to the financial Statements

47 Contravention

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

48 Other related party transactions

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

49 Events after the reporting period

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

50 Commitments

The Company had no capital commitments at the reporting date.

Other National Disclosures

Statement of Value Added
For the year ending

	30 June 2022		31 December 2021	
	₦'000	%	₦'000	%
Net premium	3,099,030	149	5,428,543	(174)
Investment income	2,285,847	110	2,293,357	(73)
Other income	613,007	29	1,138,291	(36)
Claims incurred, commissions paid and operating expenses (local)	(3,915,911)	(188)	(11,986,112)	383
Value added	2,081,972	100	(3,125,921)	100
Distribution:				
Employees and directors (staff cost)	513,283	25	975,940	(31)
Government (taxes)	73,252	4	31,941	(1)
Asset replacement (depreciation)	103,646	5	191,682	(6)
Contingency reserve	278,359	14	-	1
Expansion (retained on the business)	1,113,432	53	(4,325,483)	138
	2,081,972	100	(3,125,921)	100

Financial Summary

	30 June 2022 ₦'000	31 Dec 2021 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2018 ₦'000
Statement of financial position					
Assets					
Cash and cash equivalents	3,385,847	3,476,697	3,592,711	1,609,222	1,205,124
Financial assets	29,933,800	27,584,351	25,144,141	23,398,173	19,057,336
Trade receivables	867,479	81,468	63,974	65,898	32,090
Reinsurance assets	6,109,307	4,639,643	2,445,920	1,121,787	543,636
Deferred acquisition cost	868,047	432,828	328,812	262,550	259,098
Other receivables and prepayments	803,620	333,655	501,131	408,303	287,101
Investment property	157,500	157,500	150,000	150,000	144,000
Intangible assets	30,844	36,866	1,199	7,319	14,110
Property and equipment	1,651,701	1,467,178	1,349,516	1,381,180	1,303,014
Statutory deposit	700,000	500,000	300,000	300,000	300,000
Total assets	44,508,144	38,710,185	33,877,404	28,704,432	23,145,509
Liabilities					
Insurance contract liabilities	14,266,069	11,635,256	5,728,661	4,652,881	4,289,254
Trade payables	2,388,399	765,141	704,169	363,724	144,234
Provision and other payables	1,003,260	1,053,785	922,984	460,618	350,232
Finance lease obligations	-	-	219	61,923	56,037
Retirement benefit obligations	195,202	89,659	62,981	49,846	22,905
Income tax liabilities	133,509	60,257	82,565	75,390	203,979
Deferred tax liabilities	-	-	-	-	158,381
Total liabilities	17,986,440	13,604,099	7,501,579	5,664,382	5,225,022
Capital and reserves					
Issued and paid-up share capital	7,000,000	7,000,000	5,000,000	3,999,999	3,999,999
Share premium	560,294	560,294	729,044	729,044	729,044
Contingency reserve	3,160,977	2,882,618	2,547,773	2,068,770	1,778,339
Retained earnings	(2,403,867)	(3,517,299)	3,308,185	2,392,175	1,230,452
Assets revaluation reserve	828,773	828,773	828,773	752,083	752,083
Re-measurement reserve	5,040	5,040	13,244	18,431	23,761
Fair value reserve	17,370,487	17,346,660	13,948,807	13,079,548	9,406,809
Total equity	26,521,704	25,106,086	26,375,825	23,040,050	17,920,487
Total liabilities and equity	44,508,144	38,710,185	33,877,404	28,704,432	23,145,509
Statement of profit or loss					
Gross premium written	8,303,190	11,161,499	8,331,841	6,518,964	5,391,170
Net premium income	3,099,030	5,428,543	4,450,402	3,713,380	3,477,836
Underwriting results	231,279	(2,584,189)	825,589	409,240	(772,480)
(Loss)/profit before taxation	1,465,043	(3,878,914)	2,436,069	1,338,726	134,703
Taxation	(73,252)	-	(19,882)	(31,633)	-
(Loss)/profit after taxation	1,391,791	(3,990,638)	2,516,187	1,307,093	134,703
Transfer to contingency reserve	278,359	334,845	479,002	290,431	161,736
Dividend	-	(500,000)	-	-	(400,000)
Transfer to revenue reserve	1,113,432	(3,825,483)	2,037,185	1,016,662	372,967
Basic earnings per share (kobo)	9.9	(28.5)	24.0	18.2	(3.6)

Other National Disclosures
Revenue Account
For the year ending

30 June 2022

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct receipted premium	1,460,655	863,415	1,332,850	536,085	305,602	18,245	346,928	3,288,093	23,557	8,175,430
Inward premium	21,609	15,947	40,734	34,610	2,712	-	12,148	-	-	127,760
Gross premium written	1,482,264	879,362	1,373,584	570,695	308,314	18,245	359,076	3,288,093	23,557	8,303,190
Changes in reserve for unexpired risk	(317,877)	(284,816)	(289,796)	(133,865)	(26,465)	(1,385)	(90,881)	(1,279,846)	(7,755)	(2,432,686)
Gross premium earned	1,164,387	594,546	1,083,788	436,830	281,849	16,860	268,195	2,008,247	15,802	5,870,504
Reinsurance Expenses	(1,211,722)	(571,259)	(677)	(253,940)	(305,780)	(7,724)	(237,286)	(1,802,789)	(14,300)	(4,405,477)
Movement in Prepaid-Reinsurance Cost	271,647	158,108	19,400	96,759	129,371	634	117,559	835,248	5,277	1,634,003
Re-insurance cost	(940,075)	(413,151)	18,723	(157,181)	(176,409)	(7,090)	(119,727)	(967,541)	(9,023)	(2,771,474)
Net earned premium	224,312	181,395	1,102,511	279,649	105,440	9,770	148,468	1,040,706	6,779	3,099,030
Commissions received	195,209	99,282	683	66,291	89	2,250	30,440	19,078	2,443	415,765
Total underwriting income	419,521	280,677	1,103,194	345,940	105,529	12,020	178,908	1,059,784	9,222	3,514,795
Underwriting expenses										
Gross Claims incurred	18,115	(570,417)	(429,093)	(204,452)	(61,121)	(9,043)	(155,639)	(123,898)	(1,356)	(1,536,904)
Recovery on Claims incurred	(122,298)	345,452	61,062	100,193	1,251	-	50,721	(1,329)	571	435,623
Net Claims Expenses	(104,183)	(224,965)	(368,031)	(104,259)	(59,870)	(9,043)	(104,918)	(125,227)	(785)	(1,101,281)
Maintenance expenses	(166,792)	(98,952)	(154,563)	(64,218)	(34,693)	(2,053)	(40,405)	(369,994)	(2,651)	(934,321)
Acquisition expenses (Note 36)	(212,902)	(155,125)	(171,603)	(120,567)	(51,329)	(2,718)	(51,825)	(479,260)	(2,587)	(1,247,916)
Underwriting (Loss)/Profit	(64,356)	(198,365)	408,997	56,896	(40,363)	(1,794)	(18,240)	85,303	3,199	231,277

30 June 2021

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct receipted premium	1,059,730	624,316	1,234,524	522,269	359,366	8,233	230,645	2,723,681	21,932	6,784,696
Inward premium	38,610	27,672	44,582	40,993	4,695	-	6,291	4,279	-	167,122
Gross premium written	1,098,340	651,988	1,279,106	563,262	364,061	8,233	236,936	2,727,960	21,932	6,951,818
Changes in reserve for unexpired risk	(387,643)	(197,316)	(361,744)	(83,936)	(57,248)	(3,792)	(19,893)	(1,011,507)	(16,657)	(2,139,736)
Gross premium earned	710,697	454,672	917,362	479,326	306,813	4,441	217,043	1,716,453	5,275	4,812,082
Reinsurance expenses (Note 33)	(549,014)	(268,480)	(187)	(218,280)	(257,166)	(2,365)	(93,771)	(1,024,277)	(2,543)	(2,416,083)
Net earned premium	161,683	186,192	917,175	261,046	49,647	2,076	123,272	692,176	2,732	2,395,999
Commissions received	135,742	73,156	377	64,428	340	710	23,366	7,288	635	306,042
Total underwriting income	297,425	259,348	917,552	325,474	49,987	2,786	146,638	699,464	3,367	2,702,041
Underwriting expenses										
Claims expenses (Note 35)	(569,563)	(242,412)	(416,648)	(57,886)	(110,840)	(200)	(32,446)	(455,404)	(630)	(1,886,029)
Maintenance expenses	(134,498)	(79,840)	(156,634)	(68,975)	(44,581)	(1,008)	(29,014)	(334,055)	(2,686)	(851,291)
Acquisition expenses (Note 36)	(152,194)	(115,959)	(127,112)	(136,876)	(52,554)	(662)	(38,984)	(366,401)	(679)	(991,421)
Underwriting profit	(558,830)	(178,863)	217,158	61,737	(157,988)	916	46,194	(456,395)	(628)	(1,026,698)