



FIN Insurance
A Member of the Cornerstone Group

2022 ANNUAL REPORT

STRONGER EXPANSION



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Notice of Annual General Meeting

For the year ended 31 December 2022



NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of FIN Insurance Company Limited will hold on **Wednesday, 2nd August 2023 at 11th Floor, Alliance Place, Plot 33A, Alfred Rewane Road, Ikoyi, Lagos (and also via Teleconference) at 1:00pm** to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2022 and the Reports of the Directors and Auditors thereon.
2. To re-elect Directors of the Company.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To disclose the remuneration of Managers

SPECIAL BUSINESS

5. To fix the remuneration of the Directors.

NOTES

1. Proxy

A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. A form of proxy is attached to the Annual Report and if intended to be used, it must be executed and returned to the office of the Registrars, CardinalStone Registrars, Plot 358, Herbert Macaulay Way, Yaba, Lagos, 01- 7120090 or the office of the Company Secretary, via the following email addresses: ninyioninette@pacsolicitors.com and mmasichukwumanyike@pacsolicitors.com, or deposited at PAC Solicitors, 10, Canaanland Street, Lekki Phase 1, Lagos, not later than 48 hours before the date of the Annual General Meeting.

2. Closure of Register

The Register of Members will be closed from Monday, 17th July 2023 to Friday, 21st July 2023 (both dates inclusive) for the purpose of updating the Register.

3. Re-election of Directors

Pursuant to Section 285 (1) of the Companies and Allied Matters Act 2020, the Directors to retire by rotation are Mr. Bashir Binji and Mr. Abdulkareem Mohammed Sani. They have indicated their willingness to stay in office and offer themselves for re-election. Their profiles are contained in the Annual Report.

Dated this 31st day of May 2023

BY ORDER OF THE BOARD

Isaiah Oreweme

PAC SOLICITORS (Company Secretary)

FRC/2014/NBA/00000006267

10, Canaanland Street,

Lekki Phase 1, Lagos

Tel: 09099298887, 08063480070

Website: www.finsurance.com.ng

Corporate Information



Directors Mr. Paul Kokoricha Mr. Bashir Binji Mr Abdulkareem Mohammed Sani Mr. Afolabi Elebiju Mr. Martins Uwuilekhue Dr. Nkiru Balonwu Mr. Peter Ekwueme	Chairman Managing Director/CEO Independent Non-Executive Director Non-Executive Director Non-Executive Director Independent Non-Executive Director Executive Director
Registered Office	34 Gana street Maitama District, Abuja Telephone: 092913712 Website: www.finsurance.com.ng
Corporate Head Office	Okoi Arikpo House 5, Idowu Taylor Street, Victoria Island, Lagos
Company Secretary	PAC Solicitors Ground and First floors, Dicon Towers 16 Kofo Abayomi Street, Victoria Island, Lagos FRC No. FRC/2015/NBA/00000006026
Legal Adviser	Onosen Divine Alegbe 34 Gana street, Abuja, FCT FRC No. FRC/2019/NBA/00000019783
Auditor	KPMG Professional Services Bishop Aboyade Cole Street, Victoria Island, Lagos
Bankers	Union Bank of Nigeria Plc • Ecobank Nigeria Limited • Wema Bank Plc • Unity Bank Plc • Fidelity Bank Plc • United Bank for Africa • First Bank of Nigeria Limited • Guaranty Trust Bank Limited • Platinum Mortgage Bank Limited • First City Monument Bank Limited • Keystone Bank Limited • Access Bank Plc • FSDH Merchant Bank Limited • Polaris Bank Limited • Zenith Bank Plc
Reinsurers	African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation Plc
Consulting Actuary	O & A Hedge Actuarial Consulting Suite 21, 1st Floor, Motorway Centre, 1 Motorway Avenue, Alausa, Ikeja, Lagos FRC No: FRC/2016/NAS/00000015764
Estate Surveyor and Valuer	John Odiba & Partners Suite 29, Majia Plaza, Opposite Al-Ansar Center for Comprehensive Education Sahara Estate, Gwarimpa, Abuja FRC No: FRC/2022/00000014211
Registrars	Cardinal Stone Registrars 358, Herbert Macaulay way Yaba, Lagos
CAC Registration NAICOM Number Tax Identification Number	Number RC 38815 RIC- 047 02149757-0001



CHAIRMAN'S *Statement*



Despite the continued global economic and financial challenges in our ever-challenging environment, the Gross Premium written of Fin Insurance for the year under review was N3.44 billion, representing an increase of 53% over the previous year of N2.24 billion.



MR. PAUL KOKORICHA
Chairman

Distinguished shareholders, members of the Board of Directors, invited guests, ladies and gentlemen. I welcome you all to the 41st Annual General Meeting of our Company, FIN Insurance Company Limited. (FIN or “the Company”) and I hereby present to you the Annual Report and Accounts for the financial year ended 31st December 2022 as well as an overview of the major developments that influenced our operations and financial results during the period.

The Global Economy

GDP continued to grow in the OECD in 2022 (2.9%), but at a more moderate pace than in 2021 (5.7%) when economies were recovering from the immediate impact of the COVID-19 pandemic. Global growth forecast slowed from 6.0% in 2021 to 3.2% in 2022. This is the weakest growth rate in close to two decades except for the period during the global financial crisis and the acute phase of the COVID-19 pandemic.

Three years after the COVID-19 virus was discovered, the world appears to have turned the corner on the first global pandemic in a century. In September, the head of the World Health Organization declared that the end of the pandemic is “in sight.” That reality was evident in the fact that many countries reversed the lockdowns, travel restrictions, and related measures that they had imposed when COVID swept across the world in early 2020.

While there is debate about whether the successful global rollout of the vaccines or the resulting herd immunity were dominant factors in the drop in infection rates, the one exception to this trend was China. China continued to pursue a zero-tolerance policy long after every other country further disrupting global supply chains and contributing to high inflation rates across many economies.

The ramifications of the Russia and Ukraine war were felt across the globe. Russia's invasion of Ukraine in February 2022 led to a price surge in global crude oil prices, with Brent reaching its highest price since 2008 at \$139 per barrel. Ukraine also being a key exporter of grains and cooking oil, particularly to African countries, an inability to export led to supply shortages and soaring prices.

Macroeconomic Review

On the home front, Nigeria's overall annual GDP growth rate in 2022 stood at 3.10%, from the 3.40% reported in 2021. According to the National Bureau of Statistics (NBS), The economy was largely driven by the non-oil sector which accounted for 95.66% of growth while the oil sector contributed 4.34%.

Nigeria's unemployment rate was reported to have increased to 37.7% in 2022 and is projected to rise further to 40.6%, due to the continuing inflow of job seekers into the job market. Additionally, government revenue remains inadequate to support much-needed expenditure, leading to a high debt stock and high debt service payments.

The foreign exchange market also witnessed challenges in 2022. The Naira closed the year at N461.50 to the US Dollar at the official window. This denotes a 6.1% depreciation from the N435.00 per US Dollar at the beginning of the year. Similarly, the parallel market exchange rate was pressured by scarcity of US Dollar inflow due to the continued depleting foreign reserves and a surge in demand for foreign currency. The Naira to US Dollar exchange rate which hovered between N561.00 and N570.00 to the US Dollar at the beginning of the year, dropped to record lows of over N800 to the US Dollar by the fourth quarter. This sharp drop meant that the Naira was among the worst performing currencies of the year only behind the Ghanaian Cedi and the Sri Lankan Rupee.

Chairman's Statement

For the year ended 31 December 2022



Crude oil production at the start of the year was 1.39 million bpd and it declined month on month until it reached an all-time low of 937,766. In September. It was reported during the year, that due to oil theft, Nigeria lost approximately 470,000 barrels per day of crude oil, amounting to monthly losses of around \$700m.

Also during the year, the Monetary Policy Committee (MPC) of the CBN raised the benchmark interest rate, Monetary Policy Rate (MPR), four consecutive times to 16.5% in a bid to curb rising inflation which started at 15.6% in January and rose every month, reaching a 17 year high of 21.47% in November.

The Insurance Industry

Globally, at the onset of the year, the insurers were very optimistic too that the year would witness accelerated economic recovery and additional digital technology investments which would generate significant growth for the industry during the period. The reason for their high hopes was clear, the year 2022 was the first year business operators across the globe practically adjusted their seats to commence real operation after much breakdown in their system of operations by the pandemic and its associated lockdowns on businesses. For insurers in particular, it was the first year they would deploy the new technologies they acquired as a result of disruptions in their former business models by the emergence of COVID-19. It was indeed a year laggard in technology usage, especially among developing countries like Nigeria apparently saw the need for a swift shift from old way to new business way thrown up by the global new normal. This being the case, the insurers, especially those who had commenced experiments on their new technologies projected that the market in terms of growth prospects would be fairly bullish, citing the fact that they had planned to increase investments in enabling technologies and evolving talent models to build on the digital and virtual platforms that would sustain their operations and maintain their engagements with customers. The insurers, however predicted that from the beginning of the year that there would be challenges ranging from economic hurdles such as the potential for sustained inflation; to sustainability concerns including climate risk, diversity, and financial inclusion; to rapidly evolving consumer product and purchase preferences. As the year 2022 draws its curtain to a close, the insurers and their sector observers have paused to x-ray how they have utilised their acquired technologies to achieve their expectations and concluded that the industry was riding on technology to positively shift to a new landscape

Company Financial Performance

Despite the continued global economic and financial challenges in our ever-challenging environment, the Gross Premium written of Fin Insurance for the year under review was N3.44 billion, representing an increase of 53% over the previous year of N2.24 billion. The largest contributors to revenue were (i) Oil & Gas, Aviation (ii) Fire & (iii) Motor classes, contributing N1.133 billion, N906 million and N640 million respectively. Our gross claim expense ratio for the year stood at 8.2% and continues to trend downward as the stricter risk acceptance parameters we put in place continue to pay dividends.

The company recorded a Profit before tax of N649 million at 31st December 2022, as against N837 million in the previous year.

Outlook

As another general election and handover year approaches, the impact of inflation and muted growth in both the public and private sectors is expected, but as a company we will continue to put in measures to mitigate the unexpected impacts that may occur.

The change in motor insurance premium rates by NIACOM will take effect from the 1st of January 2023, and we are positive that this will cause a significant increase in the gross premium written and will pool in resources to aid claim settlement. We are proud of our accomplishments in 2022, but we are not complacent. We recognize that the global economy remains volatile, and uncertainties remain. However, we remain confident in our ability to navigate these challenges, and we are well-positioned to seize opportunities that arise.

Looking ahead, we will continue to pursue growth opportunities in our core markets while exploring new avenues to expand our business. We will also continue to invest in digital capabilities to provide innovative and personalized services to our customers. Furthermore, we will continue to prioritize sustainability and responsible business practices, as we believe that they are essential to creating long-term value for our stakeholders.

In conclusion, I would like to thank our employees for their hard work and dedication, our customers for their trust and loyalty, our partners for their collaboration, and our shareholders for their continued support. We remain committed to delivering sustainable value and generating attractive returns for all our stakeholders.

Thank you and God bless you.

Mr. Paul Kokoricha
Chairman, Board of Directors

Director's Profile

For the year ended 31 December 2022



PAUL KOKORICHA
Chairman

Mr. Paul Kokoricha holds a Bachelor of Science degree, Second Class Upper Division in Economics and won the Departmental Prize for the Best Graduating Student in Economics in 1982 from the University of Nigeria, Nsukka.

He is a fellow of the Institute of Chartered Accountants of Nigeria. Kokoricha worked for ten years in Arthur Andersen & Co. [previously a leading global accounting and consulting firm] providing accounting, consulting and audit services to varied clients in financial services, oil and gas, trading and manufacturing.

He gained extensive experience in accounting and audit turnarounds, business reorganizations and systems consulting. Prior to joining African Capital Alliance, he worked for Liberty Bank plc for eight years as Group Head of Operations with responsibility for trade finance products and customer service.

He joined African Capital Alliance in 2002 as the Chief Financial Officer before making a transition to fund manager role in 2004. He is currently the Managing Principal of Capital Alliance Private Equity I [CAPE I] and Capital Alliance Private Equity II [CAPE II] - a US\$ 35 million and US\$ 100 million private equity funds respectively. CAPE I and CAPE II have a number of international and Nigeria based investors, including leading international development finance institutions such as International Finance Corporation [IFC] - private sector arm of the World Bank; European Investment Bank; CDC Capital [formerly Commonwealth Development Corporation]; FMO [the Dutch Development Finance Corporation], as well as Nigeria-based institutions such as Citibank, Chevron Pension, Nigeria Breweries [Heineken]; UAC; Diamond Bank, etc. Most of these investors are represented in the Advisory Committee and Investment Committee; key governance organs of both funds.

In his role as Fund Manager, he champions all aspects of private equity investment management, including fundraising, deal origination, due diligence, deal structuring, investment and management of exits.

He is a director of several companies, including Johnnic Communications West Africa Limited, Compact Disc Technologies Nigeria Limited, Swift Networks Limit.

A graduate of Usman Danfodio University, Sokoto with BSc in Management Studies. He is an Associate of Chartered Insurance Institute London and has an MBA from Ahmadu Bello University, Zaria and a Diploma (Distinction) in Insurance from the famous West African Insurance Institute Banjul, The Gambia.

Binji started his Insurance career with Nigeria Reinsurance Corporation where he worked in Investment, Underwriting and Marketing departments. He then moved to pioneer Zenith Insurance Company a subsidiary of (Zenith Bank) as zonal Head/ Northern operations a position He held for 9 years.

Prior to joining FIN Insurance Company Limited as MD/CEO, Binji was appointed by the Federal Government as Executive Director, Operations and later Acted as MD/CEO of Nigeria Agricultural Insurance Corporation (NAIC). He also served as member of the governing Council of Nigerian Insurers Association.

He has over 19 years' cognate experience in the industry. He has attended various courses in Insurance Risk Management and Marketing locally and internationally including 1 Year full time residential course at (WAI) Banjul, The Gambia.



BASHIR BINJI
Managing Director

Director's Profile

For the year ended 31 December 2022



Dr. Nkiru Balonwu holds a Bachelors of Law (LL.B) from the University of Manchester, a Masters of Law (LL.M) from University College London, and a J.S.D from the University of California, Berkeley. She is called to the Bar in Nigeria, England & Wales and New York State.

She is a strategic communicator, reputation management and stakeholder specialist with over 15 years' experience. She has broad industry experience including digital media, e-commerce, technology product strategy and development.

She is the founder and Managing Partner of RDF Strategies. She also founded the African Women on Board, a non-profit dedicated to improving the realities for African women and girls. Prior to joining FIN Insurance Company Limited, she served on the Board of many companies.



DR. NKIRU BALONWU
Independent Non-Executive Director



**ABDULKAREEM
MOHAMMED SANI**

Independent Non-Executive Director

Mr. Abdulkareem Mohammed Sani holds a Bachelor of Science Degree in Accountancy from the University of Maiduguri and a Master of Business Administration from the Ahamdu Bello University Zaria. He is a member of the Institute of Chartered Accountants of Nigeria. As well as a Fellow of the Institute.

He has over 2 decades of experience as a Chartered Accountant. His specialization includes Corporate Reporting, Financial Management, Taxation, Auditing, General Management, Mergers and acquisition.

He worked with Yobe State Water Board, Adetona Isichie & Co and Quartz Technological Ventures Limited. Before joining NNDC Limited where he currently heads the Management Services Directorate.

Prior to joining the board of FIN Insurance Company Limited, He sat on the Board of many Companies. He is also a member of the Association of Chartered Certified Accountants, United Kingdom.

He is the founding Principal of LeLaw, Barristers & Solicitors a commercial law firm. Widely acknowledged as one of Nigeria's leading tax and regulatory lawyers, he has two decades of premium corporate and commercial law experience in leading professional services firms. He was most recently General Counsel at Nigeria's foremost private equity firm.

He obtained his Bachelor of Arts (B.A. (Ed)) and Bachelor of Laws (LL.B) from Obafemi Awolowo University, Ile-Ife. He also has two Master of Laws (LL.M) degrees: from the University of Lagos and Harvard Law School respectively.

He is a Fellow of the Chartered Institute of Taxation of Nigeria (FCTI), the Vice Dean, Indirect Tax Faculty of the Chartered Institute of Taxation Nigeria, and an Associate Member of the Chartered Institute of Arbitrators (ACI Arb).



AFOLABI ELEBIJU
Non-Executive Director

Director's Profile

For the year ended 31 December 2022



MARTINS UWUILEKHUE

Non-Executive Director

Mr. Martins Uwuilekhue has over 24 years' experience in the insurance segments such as Reinsurance, Underwriting, Risk Management, Oil & Gas, Bonds, Claims Management, Engineering, Corporate marketing, Business Development and Loss prevention. He was the GM, overseeing Technical and Risk Management Division of the Cornerstone group. Prior to that, he began his career as an underwriter at Franco-Nigeria Insurance Brokers.

Mr. Martins holds both a bachelor's and Master's degrees in Physiology from the University of Ibadan, and is an associate of the Chartered Insurance Institute of Nigeria [CIIN]. He is an alumnus of Lagos Business School, as well as University of Texas. He has attended various specialized management courses/training internationally, such as Elementary Drilling and Petroleum fundamentals, from University of Texas and specialty in Oil Intermediate from the International Chartered Insurance Institute (CII).

Mr. Peter Ekwueme holds a Bachelor's degree in Agriculture from University of Agriculture Makurdi {formerly UNIJOS, Makurdi Campus} and a Master in Business Administration from Delta State University Abraka.

He is a versatile insurance practitioner with vast experience in Sales and Marketing Management, underwriting and operations. He is an Associate member of the Chartered Insurance Institute of Nigeria (CIIN). And prior to joining FIN Insurance.

Mr. Peter Ekwueme worked at Cornerstone Insurance Plc for over 24 years in various capacity where he rose to become the General Manager and Divisional Head, Institutional Business responsible for sales and operations of the Special Risk unit, Lagos, Northern, Southern and Western Region. He has attended various courses locally and abroad including Advanced Management Course on Sales Force Performance Management at Kellogg School of Management, Illinois, Chicago, USA.

He is an alumnus of the prestigious Kellogg School of Management and Lagos Business School.



PETER EKEWUEME

*Executive Director,
Technical/Operations*

Directors Report

For the year ended 31 December 2022



The Directors present their annual report on the affairs of FIN Insurance Company Limited ("the Company"), together with the financial statements and independent auditor's report for the year ended 31 December, 2022.

1 Legal form and principal activity

The Company was incorporated in 1981 as Yankari Insurance Company Limited and commenced operations in January, 1983. It traded in this name until 2007 when it was acquired by FinBank Plc. The name was changed to FIN Insurance Company Limited in 2008. FIN Insurance Company Limited is duly incorporated in Nigeria under the Companies and Allied Matters Act of Nigeria, Cap C20, as a Private Limited Liability Company, and it is domiciled in Nigeria

In 2014, the controlling shares in the Company Fund held by Fin Bank PLC were sold to Africa Capital Alliance Limited ("ACA") through ACA's investment vehicle, Capital Alliance Private Equity (III) Limited (CAPE III). By a members' resolution dated 11 February, 2014, CAPE III transferred its full holding of the Company's shares to Cornerstone Insurance PLC.

The corporate head office of the Company is 5, Idowu Taylor Street, Victoria Island, Lagos. The registered office is 34 Gana Street, Maitama District, Abuja. The main activity of the Company is the provision of general insurance business.

2. Operating results

Highlights of the financial performance is as follows:

<i>In thousands of Naira</i>	31 December 2022	31 December 2021
Profit before income tax	649,568	837,934
Income tax expense	(157,877)	(93,518)
Profit after taxation	491,691	744,416
Transfer to contingency reserve	(103,162)	(148,884)
Transfer to retained earnings	388,529	595,532
Retained earnings, beginning of the year	1,786,463	1,190,931
Issues of bonus share	-	-
Retained earnings, end of the year	2,174,992	1,786,463

3. Directors

The directors who served during the year were

Mr. Paul Kokoricha	Chairman
Mr. Bashir Binji	Managing Director
Mr. Martins Uwuilekhue	Non-Executive
Mr. Abdulkareem Mohammed Sani	Non-Executive
Mr. Afolabi Elebiju	Non-Executive
Dr. Nkiru Balonwu	Non-Executive
Mr. Peter Ekwueme	Executive Director

4. Directors Shareholding:

No director has direct or indirect interest in the share capital of the Company (31 December 2021 : Nil)

Appointment of Directors

No new director was appointed during the year under review.

5. Shareholding Analysis

The shareholding pattern of the company is as stated below:

	31 December 2022		31 December 2021	
	No. of shares	% holding	No. of shares	% holding
Cornerstone Insurance Plc	4,834,156,136	96.68	4,834,156,136	96.68
Bancassurance Limited	131,625,000	2.63	131,625,000	2.63
Gombe State Investment and Property Development	25,354,688	0.51	25,354,688	0.51
Others	8,864,176	0.18	8,864,176	0.18
Total	5,000,000,000	100	5,000,000,000	100

Directors Report

For the year ended 31 December 2022



6. Directors interest in contracts

The Directors do not have any interest in contracts with the Company during the year, in accordance with Section 303 of the Companies and Allied Matters Act of Nigeria.

7. Property, Plant and equipment

Information relating to changes in property and equipment during the year is given in note 14 to the financial statements.

8. Employment of physically challenged

The Company operates a non-discriminatory policy on recruitment. Applications by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees. During the year under review there was no physically challenged person in its employment.

9. Employee health, safety and welfare

The Company's policy with regards to employees' health and safety is to ensure that the provisions of all safety and health legislations are rigorously complied with.

10. Employee involvement and training

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed through written communication or general meetings on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through regular meetings between management and staff of the Company. The employees, to the best of their ability are encouraged to participate in the activities of the Company. The Company also places emphasis on employee development and training. Members of staff embarked on different training programs in the course of the year.

11. Diversity in employment and gender representation

The number and percentage of male and female employed during the financial year vis-à-vis total workforce was as follows:

For the year ended 31 December 2022:

		Male Number	Female Number	Total Number	Male Percentage	Female Percentage
Employees		30	20	50	60%	40%
Gender analysis of the Board and top management is as follows:						
Board members	A	6	1	7	86%	14%
Top Management staff	B	6	8	14	43%	57%
Total	A+B	12	9	21		

Detailed analysis of the Board and top management is as follows:

Executive Director (including CEO)	2	0	2	100%	0%
Non-Executive Directors (including Chairman)	4	1	5	80%	20%
Principal Manager	2	1	3	67%	33%
Senior Manager	1	2	3	33%	67%
Deputy Manager	0	2	2	20%	100%
Assistant Manager	2	3	5	40%	60%
Total	12	9	21		

For the year ended 31 December 2021:

	Male Number	Female Number	Total Number	Male Percentage	Female Percentage
Employees	29	20	49	59%	41%

11. Diversity in employment and gender representation (contd)

For the year ended 31 December 2021:

	Male Number	Female Number	Total Number	Male Percentage	Female Percentage
Employees	29	20	49	59%	41%

Directors Report

For the year ended 31 December 2022



Gender analysis of the Board and top management is as follows:

Board members	6	1	7	86%	14%
Top Management staff	4	8	12	33%	67%
Total	10	9	19		

Detailed analysis of the Board and top management is as follows:

Executive Director (including CEO)	2	0	2	100%	0%
Non-Executive Directors (including Chairman)	4	1	5	80%	20%
Principal Manager	1	1	2	50%	50%
Senior Manager	1	1	2	50%	50%
Manager	0	2	2	0%	100%
Deputy Manager	1	1	2	50%	50%
Assistant Manager	1	3	4	25%	75%
Total	10	9	19		

12. Charitable Donations

During the year, the Company did not make any donations to any Organization. However, on December 31st 2021, the sum of N100,000 (One Hundred Thousand Naira only) was made to Travellers Weekend as support for Aviation and Cargo Conference

13. Acquisition of own shares

The Company did not purchase any of its own shares during the year (31 December 2021: Nil).

14. Events after the reporting period

There were no events after the end of the reporting period which could have a material effect on the financial position of the Company as at 31 December 2022 or the financial performance for the year ended on that date that have not been adequately recognised and/or disclosed.

Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020 of Nigeria, therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By order of the Board

PAC | SOLICITORS

PAC SOLICITORS

Company Secretary

FRC/2015/NBA/00000011359

28 February 2023



CORPORATE GOVERNANCE *REPORT*

Corporate Governance Report

For the year ended 31 December 2022



a. Introduction

FIN Insurance Company Limited has in place an effective governance mechanism that not only ensures proper over-sight of its business by the Directors and other principal organs of the Company, but also carries on its business in a manner that engenders public trust and confidence while meeting the expectations of all stakeholders.

b. Shareholding

The Company is principally owned by Cornerstone Insurance PLC (96.68%), Bancassurance Limited, Bauchi State Investment and Property Development, Gombe State Investment and Property Development, other institutional investors and individuals (3.32%).

c. Board of Directors

Our Corporate Governance policies and strategies are formulated by our Board of Directors which comprises members from different industries with a good blend of skills and in depth knowledge of the industry. The Board is responsible for the overall supervision of the Company and takes appropriate action to protect the interest of the shareholders and other stakeholders. The Board is responsible for providing entrepreneurial leadership for the Company within a framework of prudent and effective controls. It sets out the strategic direction, objectives, values and standards of the Company and ensures that the necessary financial, material and human resources are in place for the Company to meet its objectives and review Management performance. The Board meets every quarter and as frequently as exigencies demand on notice by the Chairman.

d. Board Structure

The Board is made up of a Non-Executive Chairman, two (2) Non-Executive Directors, two (2) Independent Non-Executive Directors and two (2) Executive Directors including the Managing Director/CEO and the Executive Director. The Managing Director/Chief Executive Officer is responsible for the day to day running of the Company, assisted by the Management Committee.

e. Responsibilities of the Board

The Board is responsible for:

- Reviewing and providing guidance for the Company's corporate and business strategy, major plans of action and risk policy.
- The review and approval of annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance.
- Overseeing major capital expenditures, acquisitions and divestitures.
- Monitoring the effectiveness of the governance practices under which the Company operates and making appropriate changes as necessary.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the internal audit functions and that appropriate systems of control and risk monitoring are in place.
- Establishment of the various Committees of the Board including the terms of reference and review of reports of such Committees to address key areas of the Company's business.

Board of Directors

Name	Position
Mr. Paul Kokoricha	Chairman
Mr. Bashir Binji	Managing Director
Mr. Martins Uwuilekhue	Non- Executive Director
Mr. Afolabi Elebiju	Non- Executive Director
Mr Abdulkareem Mohammed Sani	Non- Executive Director (Independent)
Dr. Nkiru Balonwu	Non- Executive Director (Independent)
Mr. Peter Ekwueme	Executive Director

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring the attention of the Board.

f. Board Committees

The Board carries out its oversight functions using its various Board Committees. This makes for efficiency and allows for a deeper attention to specific matters for the board. The Committees are set up in line with statutory and regulatory requirements and consistent with global best practice.

Membership of the Committees of the Board is intended to make the best use of the skills and experience of non-executive directors in particular.

The Committees have well defined terms of reference and Charters defining their scope of responsibilities in such a way as to avoid overlap of functions. The Committees of the Board meet quarterly but may hold extraordinary sessions as business of the Company demands.

Corporate Governance Report

For the year ended 31 December 2022



The following are the current standing Committees of the Board:

I Finance, Investment and General Purpose Committee (FIGP)

The FIGP Committee is currently made up of five (5) members and is chaired by a non-executive Director. The Committee considers the financial statements of the Company as well as the performance of the Company and compares it with budget. The FIGP Committee also assists the Board in making decisions relating to the Company's investment policies and makes recommendations to the Board on the Company's policy for investment and monitors the implementation of the Company's investment policies and procedures.

The membership of the Committee is as follows:

Mr. Afolabi Elebiju	Chairman
Mr. Martins Uwuilekhue	Member
Mr. Abdulkareem Mohammed Sani	Member
Mr. Bashir Binji	Member
Mr. Peter Ekwueme	Member

ii. Governance, Nomination and Remuneration Committee

The Committee has oversight responsibility for the overall risk assessment of various areas of the Company's operations and performance and risk management systems to ensure effective risk management through appropriate control systems. The Committee makes recommendations to the Board on the Company's policy and structure for remuneration of all Board members and Senior Management reviews the structure, size, composition and succession of the Board, oversees human capital management, implements processes for Board evaluation, recommends policies and structures for effective corporate governance in line with best practices and carries out other matters delegated to it by the Board

The membership of the Committee is as follows:

Dr. Nkiru Balonwu	Chairman
Mr. Afolabi Elebiju	Member
Mr. Abdulkareem Mohammed Sani	Member

iii. Audit, Compliance and Risk Management Committee

The Committee provides oversight of the Company's financial reporting process, its audit processes, the system of internal controls and compliance with laws and regulations. The Committee reviews the results of each financial year audit with Management and the External Auditors, including matters required to be communicated to the Committee under generally accepted auditing standards. The Committee meets at least once every quarter

The membership of the Committee is as follows:

Mr. Abdulkareem Mohammed Sani	Chairman
Mr. Martins Uwuilekhue	Member
Dr. Nkiru Balonwu	Member
Mr. Bashir Binji	Member
Mr. Peter Ekwueme	Member

BOARD AND BOARD COMMITTEES MEETINGS

The table below shows the frequency of meetings of the Board of Directors, Board Committees and members' attendance at these meetings during the year under review.

DIRECTORS	28-Feb-22	14-Apr-22	11-Aug-22	27-Oct-22	8-Dec-22
Mr. Paul Kokoricha	Y	Y	Y	Y	Y
Mr. Bashir Binji	Y	Y	Y	Y	Y
Mr. Martins Uwuilekhue	Y	Y	Y	Y	Y
Mr. Abdulkareem Mohammed Sani	Y	Y	Y	Y	Y
Mr. Afolabi Elebiju	Y	Y	Y	Y	Y
Dr. Nkiru Balonwu	Y	Y	Y	N	Y
Mr. Peter Ekwueme	Y	Y	Y	Y	Y

Key: Y-Present, N-Absent

Corporate Governance Report

For the year ended 31 December 2022



The membership and attendance register of the members of the various Board Committee as at 31st December, 2022 was as follows:

Directors	Governance, Nomination & Remuneration Committee 24 February 2022 12 April 2022 14 July 2022 11 October 2022	Audit, Compliance & Risk Management Committee 24 February 2022 12 April 2022 14 July 2022 11 October 2022	Finance Investment and General Purpose Committee 24 February 2022 12 April 2022 14 July 2022 11 October 2022 01 December 2022
Number of Meetings	4	4	5
Mr. Paul Kokoricha	N/A	N/A	N/A
Mr. Bashir Binji	N/A	4	5
Mr. Martins Uwuilekhue	N/A	4	5
Mr Abdulkareem Mohammed Sani	4	4	5
Mr. Afolabi Elebiju	4	N/A	5
Dr Nkiru Balonwu	4	4	N/A
Mr. Peter Ekwueme	N/A	4	5

Key: N/A-Not applicable.

Management Committee

The Management Committee comprises the senior management of the Company and has been established to identify, analyse, and make recommendations on risks arising from day-to-day activities. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet monthly and as frequently as the need arises.

Relationship with Shareholders

The Company maintains an effective communication with its shareholders, which enables them understand the business, financial condition and operating performance and trends. In addition to the Annual Report and Accounts, the Company maintains an up to date website that provides information on a wide range of issues for all stakeholders.

Statement of Directors' Responsibilities

For the year ended 31 December 2022



The Directors accept responsibility for the preparation of the audited financial statements of the company for the year ended 31 December 2022 which gives a true and fair view in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act, 2020 the Financial Reporting Council of Nigeria Act, 2011, Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") circulars.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Paul Kokoricha

Chairman

FRC/2015/ICAN /000000 13047

28 February 2023

Bashir Binji

Managing Director

FRC/2016/C11N /0000015624

28 February 2023

Statement of Corporate Responsibility

For the year ended 31 December 2022



Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director and Head of Finance, hereby certify the financial statements of FIN Insurance Company Limited for the year ended 31 December 2022 as follows:

- (a) That we have received the audited financial statements of the Company for the year ended 31 December 2022
- (b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading in the light of the circumstances under which such statement was
- (c) that the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2022
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the year ended 31 December 2022.
- (e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses
- (g) That we have disclosed the following information to the Company's Auditors and Audit Committee
 - i. there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise, and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - ii. there is no fraud that involves management or other employees who have a significant role in the Company's internal control

Bashir Binji
Managing Director
FRC/2016/CIIN/00000015624
28 February 2023

Taiwo David
Head, Finance
FRC/2020/004/00000020664
28 February 2023

Report of the Audit Committee

For the year ended 31 December 2022



To the Members of FIN Insurance Company Limited

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of FIN Insurance Company Limited hereby report as follows:

1. The scope and planning of the audit were adequate in our opinion
2. The accounting and reporting policies of the Company are in accordance with statutory requirements and agreed ethical
3. The internal control was being constantly and effectively monitored
4. The external auditors' management report received satisfactory response from management

Mr. Abdulkareem Mohammed Sani

Chairman, Audit & Compliance Committee

FRC 2015/ICAN/0000001 0685

28 February 2023

Members of the Audit, Compliance and Risk Management Committee are:

Mr. Abdulkareem Mohammed Sani-Chairman

Mr. Martins Uwuilekhue-Member

Dr. Nkiru Balonwu-Member

Mr. Bashir Binji-Member

Mr. Peter Ekwueme-Member

Risk Management Declaration

For the year ended 31 December 2022



We, the Directors on behalf of FIN Insurance Company Limited, hereby endorse to the best of our knowledge and belief, having made appropriate enquiries that:

- a. The Company has instituted an operational structure aimed at adhering to the guidelines established by the National Insurance Commission in relation to establishing a risk management framework for Insurers and Reinsurers in Nigeria;
- b. The Board is satisfied with the efficacy of the methods surrounding the production of financial information of the Company;
- c. The Enterprise Risk Management and Internal Control structure functions are embedded in the Company's operational framework and are functioning effectively.

Mr. Paul Kokoricha
Chairman

FRC/2015/ICAN/00000013047
28 February 2023

Mr. Bashir Binji
Managing Director

FRC/2016/CIIN/00000015624
28 February 2023

**REPORT OF THE EXTERNAL CONSULTANTS ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF
FIN INSURANCE COMPANY LIMITED
FOR THE YEAR ENDED 31ST DECEMBER, 2022**

"X KPMG HOUSE"
One King Ologunkute Street,
Park View, Ikoyi, Lagos,
P.O. Box 75429, Victoria Island, Lagos.
Tel: 234-1-9085691131 Telefax: 234-1-8166315170
E-mail: jkrandleintuk@gmail.com
Website: www.jkrandleandco.co.uk

The Board of Directors of FIN Insurance Company Limited renewed its mandate to J. K. Randle International to conduct the evaluation of its performance for the year ended 31st December, 2022 in accordance with the provisions of the NAICOM's Code/Corporate Governance Guidelines For Insurance And Reinsurance Companies 2021 (CGGIRC) which was issued in March, 2021 and in accordance with the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria, 2018.

The Board of FIN Insurance Company Limited had seven Directors during the year ended 31st December, 2022. It consisted of two Executive Directors, including the Managing Director/Chief Executive Officer, and five Non-Executive Directors, including the Chairman of the Board. There was no appointment or retirement during the year. In line with the requirements of the NAICOM Code, the Board has two Independent Directors. The composition of the Board met the requirements of the NAICOM Code, and Section 2(1) of the Nigerian Code of Corporate Governance.

Members of the Board remained conscious of their responsibilities in respect of the operations of the Board and the Company. The frequency of meetings and level of attendance at Board and Board Committee meetings were in conformity with regulations. During the year, some of the Board committees were reconstituted and their charters were revised and approved. The Board held five meetings during the year under review. Hence, it met the minimum requirement of at least four meetings in a year. Meetings were effectively managed with focus on relevant and strategic issues as well as emerging challenges affecting the Company and the industry. Members had equal opportunities and contributed constructively to the deliberations of the Board. The activities of the Board were well documented in the minutes book.

The Board performed to the full extent of its mandate which covered all the significant activities of the Company and ensured that Management remained within the risk appetite and strategy approved by the Board. In the performance of its oversight responsibilities, the Board supervised the Internal Audit and control process while re-inforcing governance policies and practices and monitoring the performance of the Management. The Board also performed other statutory responsibilities including rendering the accounts of the operations and activities of the Company to the shareholders. To a large extent, our previous recommendations have been implemented by the Board.

At the conclusion of the exercise, we recommended that the Board should continue its drive towards implementing good governance and internal control processes. It should continue to intensify its efforts with regard to training programmes for board members. We also recommended that the Board should review the Company's plans in order to establish a well-defined programme for identifying with the aspirations of the local community as a means of performing its corporate social responsibilities.

The performance of the Board did not violate the NAICOM Code/Guidelines or the Nigerian Code of Corporate Governance in any material manner and is adjudged to be satisfactory.



Bashorun J. K. Randle, OFR
Chairman/Chief Executive
FRC/2013/ICAN/00000002703

24th March, 2023

Independent Auditor's Report

For the year ended 31 December 2022



KPMG Professional Services

KPMG Tower
Bishop Abovade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **FIN Insurance Company Limited.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FIN Insurance Company Limited (the Company), which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

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Registered in Nigeria No BN 986925

Partners:

Adedokun A. Oyelami	Ayodele H. Othiliwa	Joseph O. Tegbe	Olanike I. James	Tayo I. Ogungbenro
Adekunle A. Elebute	Bolanle S. Afolabi	Kabir O. Okunola	Olufermi A. Babem	Temitope A. Onidiri
Adeola R. Adeyemi	Chibuzor N. Anyaniedii	Lawrence C. Amadi	Oluamide O. Olayinka	Tolulope A. Odukaile
Adewale K. Ajayi	Chineme B. Nwigbo	Martins I. Arozie	Oluogun A. Sowande	Uzodinma G. Nwankwo
Ajibola O. Olomola	Elijah O. Oladunmoye	Mohammed M. Adama	Oluotun I. Cgunlowo	Victor U. Onyenkpa
Akinyemi Ashade	Goodluck C. Oti	Nneka C. Euma	Oluwatemi O. Awotoye	
Ayobami L. Salami	Itoimi M. Adepoju	Olaimpe S. Afazibi	Oluwatoyin A. Gbagi	
Ayodele A. Soyinka	Ieoma T. Emezie-Ezigo	Oladimeji I. Salaudeen	Oseme J. Obajoje	



Actuarial Valuation of Insurance Contract liabilities

The actuarial valuation of insurance contract liabilities involves high estimation uncertainties and the application of significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have been incurred but not yet reported in respect of non-life insurance contract liabilities involves significant assumptions such as projected cash flows, claims development, ultimate loss ratio, inflation rates and discount rates.

The level of complexity, the assumptions and judgment involved in estimating these amounts resulted in the actuarial valuation of insurance contract liabilities being a matter of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design, implementation and operating effectiveness of key controls instituted by the Company around the collection of which includes management review of data used for the valuation of insurance contract liabilities.
- We tested the accuracy and completeness of the underlying data used in actuarial valuations on a sample basis by agreeing it to relevant source documentation.
- We engaged our actuarial specialists to assess the reasonableness of the methodology used by the Company's external actuaries in determining the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods and the inputs applied.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuaries and performed liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cash flows, claims development, ultimate loss ratio, inflation rates and discount rates.

Refer to the company's accounting policy on insurance contract liabilities (note 3p(ii)), critical accounting estimates and judgements (note 4b(i)) and related disclosures on insurance risk (note 50) of the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Director's Report, Corporate Governance Report, Statement of Director's Responsibilities, Statement of Corporate Responsibility, Audit Committee Report, Risk Management Declaration and Other National Disclosures, but does not include the financial statements and our auditor's report thereon.

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

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



Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

For the year ended 31 December 2022



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

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

- 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, so far as appears from our examination of those books..
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Contraventions and Penalties

The company paid a penalty of N250,000 to NAICOM, being payment imposed for non upload of real time data on NAICOM portal during the year ended 31 December 2022. Details of penalties are disclosed in note 43 to the financial statements.

Akinyemi J. Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
31 March 2023
Lagos, Nigeria





FINANCIAL STATEMENTS

Statement of Financial Position

As at 31 December 2022



In thousands of Naira	Notes	31-Dec-22	31-Dec-21
Assets			
Cash and cash equivalents	5	4,590,089	4,337,564
Investment securities	6	4,020,968	3,383,988
Trade receivables	7	61,936	44,996
Reinsurance assets	8	846,316	690,926
Deferred acquisition cost	9	184,323	126,180
Other receivables and prepayments	10	92,915	255,960
investment in joint venture	11	230	230
investment properties	12	680,000	625,000
Intangible assets	13	5,137	8,407
Property and equipment	14	1,791,897	1,697,147
Statutory deposits	15	500,000	500,000
Total Assets		12,773,811	11,670,398
Liabilities			
Insurance contract liabilities	16	1,993,367	1,725,268
Trade payables	17	435,982	343,163
Accrual and other liabilities	18	202,663	232,703
Current income tax liabilities	19	148,485	99,306
Deferred tax liability	20	111,851	64,815
Total liabilities		2,892,348	2,465,255
Net assets		9,881,463	9,205,143
Equity			
Ordinary share capital	21	5,000,000	5,000,000
Share premium	22	93,878	93,878
Statutory contingency reserve	23	1,399,820	1,296,658
Other reserves	24	1,212,773	1,028,144
Retained earnings	25	2,174,992	1,786,463
Total equity		9,881,463	9,205,143

The Financial Statements were approved by the Board of Directors on 28 February 2023 and signed on its behalf by:

FRC/2015/ICAN/00000013047

Managing Director
FRC/2016/CIIN/00000015624

Head, Finance
FRC/2020/004/00000020664

The accompanying notes form an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022



<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Gross premium written	26	3,438,718	2,242,850
Gross premium earned	26(a)	3,052,075	2,098,927
Reinsurance expenses	27	(2,003,327)	(1,184,361)
Net premium earned		1,048,748	914,566
Fees and commission income	28	517,171	245,652
Net underwriting income		1,565,919	1,160,218
Gross claims incurred	29	(282,380)	(543,851)
Claim recoveries from reinsurers & others	29	185,009	222,873
Underwriting expenses	30	(708,826)	(469,439)
Underwriting result		759,722	369,801
Investment income	31	691,445	1,097,033
Fair value gain on investment property	32	55,000	23,000
Other operating income	33	32,647	1,673
Share of gain of joint venture	11	-	27,031
Net operating income		1,538,814	1,518,538
Personnel expenses	34	(467,673)	(373,920)
Depreciation of property & equipment	14	(40,885)	(39,277)
Amortisation	13	(4,141)	(3,004)
Other operating expenses	35	(376,547)	(264,403)
Profit before tax		649,568	837,934
Income tax expense	36	(157,877)	(93,518)
Profit for the year.		491,691	744,416
Other comprehensive income:			
Items that are or may be classified to profit or loss:			
Fair value gain on available for sale equities	6a	70,120	117,725
		70,120	117,725
Items that will not be reclassified to profit or loss:			
Revaluation gain on land and building	14b(ii)	127,232	52,830
Tax effects on other comprehensive income	21(b)	(12,723)	(5,283)
		114,509	47,547
Other comprehensive income, net of tax		184,629	165,272
Total comprehensive income for the period		676,321	909,688
Profit attributable to shareholders of the company		491,691	744,416
Total comprehensive income attributable to shareholders		676,321	909,688
Basic earnings per share (kobo)	38	10k	15k
The accompanying notes form an integral part of these financial statements			



Statements of Changes in Equity

As at 31 December 2022

<i>In thousands of Naira</i>	Share Capital	Share premium	Fair value reserve	Asset revaluation reserve	Other Reserves	Statutory contingency reserve	Retained earnings	Total
Balance as at 1 January 2022	5,000,000	93,878	137,380	890,764	1,028,144	1,296,658	1,789,463	9,205,143
Total comprehensive income for the year								
Profit for the period	-	-	-	-	-	-	491,691	491,691
Transfer to contingency reserves	-	-	-	-	-	103,162	(103,162)	-
<i>Other comprehensive income -</i>	-	-	-	-	-	103,162	388,529	491,692
Fair value gain on available-for-sale financial assets	-	-	70,120	-	70,120	-	-	70,120
Revaluation gain on land and building, net of taxes	-	-	-	114,509	114,509	-	-	114,509
Total comprehensive income for the period	-	-	70,120	114,509	184,629	103,162	388,529	676,321
Transactions with owners, recorded directly in equity								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	5,000,000	93,878	207,500	1,005,273	1,212,773	1,399,820	2,174,992	9,881,463

The accompanying notes form an integral part of these financial statements



Statements of Changes in Equity

As at 31 December 2021

<i>In thousands of Naira</i>	Share Capital	Share premium	Fair value reserve	Asset revaluation reserve	Other Reserves	Statutory contingency reserve	Retained earnings	Total
Balance as at 1 January 2021	5,000,000	93,878	19,655	843,217	862,872	1,147,775	1,190,931	8,295,456
Total comprehensive income for the year								
Profit for the period	-	-	-	-	-	-	744,416	744,416
Transfer to contingency reserves	-	-	-	-	-	148,884	(148,884)	-
	-	-	-	-	-	148,884	595,532	744,416
<i>Other comprehensive income -</i>								
Fair value gain on available-for-sale financial assets	-	-	117,725	-	117,725	-	-	117,725
Revaluation gain on land and building, net of taxes	-	-	-	47,547	47,547	-	-	47,547
Total comprehensive income for the period	-	-	117,725	47,547	165,272	148,884	595,532	909,688
Transactions with owners, recorded directly in equity								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	5,000,000	93,878	137,380	890,764	1,028,144	1,296,658	1,786,463	9,205,143

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

For the year ended 31 December 2022



<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Cash flow from operating activities			
Insurance premium received	44(a)	3,311,986	2,141,195
Premium Deposits	44(a)	138,731	109,792
Reinsurance premium paid	44(b)	(2,094,017)	(1,251,396)
Reinsurance commission received	44(c)	534,623	209,292
Reinsurance claim received	44(d)	164,978	135,826
Recoveries from salvage	29	1,760	4,020
Insurance benefits and claims paid	29	(400,924)	(300,677)
Commission paid	30(a)	(568,107)	(403,998)
Maintenance cost paid	30(a)	(198,863)	(102,578)
Cash paid to employees	34	(467,673)	(394,020)
Corporate tax paid	19	(74,385)	(112,089)
Management expenses and other operating cashflow	44(e)	(155,469)	213,603
Net cash generated from operating activities		192,640	248,970
Cash flows from investing activities:			
Interest income received	44(f)	444,075	448,233
Rent received	44(h)	6,500	12,500
Dividend income received	44(g)	54,178	51,463
Proceeds on disposal of property and equipment	44(i)	52	139
Purchase of intangible assets	13	(869)	(7,264)
Purchase of property and equipment	14	(8,553)	(70,872)
Purchase of Held to maturity investment	6(b)(i)	(869,916)	(1,412,604)
Proceed on disposal/redemption of held to maturity investment	6(b)(i)	434,418	1,939,183
Net cash generated from investing activities		59,885	960,779
Net Increase in cash and cash equivalents		252,525	1,209,749
Cash and cash equivalents at beginning of period		4,337,564	3,127,815
Cash and cash equivalents at end of period	5	4,590,089	4,337,564

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2022



1 Reporting Entity

FIN Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited and commenced business in January 1983. It traded in this name until 2007 when it was acquired by Finbank Plc, a former subsidiary of FCMB Plc. The name was changed to FIN Insurance Company Limited in 2008. FIN Insurance Company Limited is incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company and it is domiciled in Nigeria. It is currently a subsidiary of Cornerstone Insurance Plc.

The registered office of the Company is 34 Gana Street Maitama FCT-Abuja.

The main activity of the Company is the provision of General insurance business. This includes Fire insurance, Motor insurance, Accident insurance, Marine insurance and other non-life insurance services.

1.1 Going concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgment and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the company has adequate resources to continue as a going concern for the foreseeable future.

2 Basis of preparation

(a) Statement of compliance

These financial statements for the year ended 31 December 2022 have been prepared in accordance with, and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and its interpretation committee effective and available as at 31 December 2022. comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") circulars.

(b) Functional and presentation currency

The financial statements are presented in Naira, which is the Company's functional currency. Financial information presented in Naira has been rounded to the nearest thousands except where indicated.

(c) Basis of measurement

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

Measurement basis	Details
(i) <i>At fair value</i>	• available-for-sale financial assets;
	• investment properties
	• insurance contract liabilities
(ii) <i>At amortised cost</i>	• loans and receivables;
	• held to maturity financial instruments;
	• financial liabilities at amortised cost;

The Company adopts the accrual basis of accounting where it records accounting transactions for revenue when earned and expenses when incurred.

(d) Reporting period

The financial statements have been prepared for the year ended 31 December 2022. The financial statements were authorised for issue by the Directors on 28 February 2023.

(e) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 4.

(f) New or amended standards and interpretations not yet effective

The following new standards, amendment to standards and interpretations are not yet effective for year ended 31 December 2022 and the Company has not applied the new or amended standards in preparing these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022



Those standards, amendment to standards and interpretations which may be relevant to the Company are set out below:

(i) Financial Instruments (IFRS 9)

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local requirements).

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

On 12 September 2016, the Board issued Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4) (the amendments). The amendments changed the existing IFRS 4 Insurance contracts (IFRS 4) to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 Financial Instruments before the IFRS 17 Insurance Contracts was to become effective 1 January 2023.

The various informational content and transition requirements of IFRS 9 has necessitated the need to gradually move towards its adoption from an early stage, this is because transition is retrospective, whilst still considering the provisions of IAS 8.

In order to maintain the high level of corporate governance practiced by Fin Insurance Company Limited and promote good project management, an IFRS 9 implementation project Committee has been constituted.

(a) Amendments to IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts.

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

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 Insurance Contracts. The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

(1) Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement. To qualify for this exemption the Company's activities need to be predominantly connected with insurance. A Company's activities are predominantly connected with insurance if, and only if:

- (a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and
- (b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:

- (i) greater than 90 percent; or
- (ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

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

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

Notes to the Financial Statements

For the year ended 31 December 2022



In order to qualify for the temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS 4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS 4. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

To determine if the Company's activities are predominantly connected with insurance, we have assessed the ratio of the Company's liabilities connected with insurance compared with its total liabilities. See assessment below:

LIABILITIES	AS REPORTED (A)	ADMISSIBLE FOR PREDOMINANCE TEST (B)
<i>In thousands of Naira</i>	31-Dec-15	31-Dec-15
Insurance contract liabilities	757,392	757,392
Trade payables	1,046	1,046
Accruals and other liabilities	293,366	180,573
Current income tax liabilities	92,590	-
	1,144,394	939,011

Score = (B/A)% 82%

As at 31 December 2015, the Company's total carrying amount of liabilities connected with insurance represented more than 80% of its total liabilities.

The Company therefore concluded that it meets the requirement stated in 1b(ii) above as it meet the 80% threshold and does not engage in a significant activity other than those, which are insurance related. This is buttressed by the fact that the proportion of insurance related income (e.g. net premium) and expenses are significant in relation to the other income and expenses of the Company.

The Company has therefore opted to be temporarily exempted from adopting IFRS 9 until 1 January 2023 when IFRS 17, Insurance Contracts will be effective.

Fair value disclosures

(a) Financial assets measured at loans and receivables and amortised cost in line with IAS 39 are as follows:

31 December 2022 <i>In thousands of Naira</i>	Loans and receivables	Financial instruments at amortised cost	Carrying Amount	Fair value
Cash and cash equivalents	4,590,089		4,590,089	4,590,089
Held-to-Maturity financial assets		3,283,313	3,283,313	3,283,313
Trade receivables	61,936		61,936	61,936
Reinsurance assets	208,841		208,841	208,841
Other receivables	26,179		26,179	26,179
Statutory deposits		500,000	500,000	500,000
	4,887,045	3,783,313	8,670,358	8,670,358

(b) Financial assets that meet the definition of financial assets designated at available for sale in line with IAS 39 are listed as follows:

31 December 2022 <i>In thousands of Naira</i>	Available for sale	Carrying amount	Fair value
Quoted equity securities	737,655	737,655	737,655
	737,655	737,655	737,655

Notes to the Financial Statements

For the year ended 31 December 2022



(c) The table below provides an estimation of the expected impact of IFRS 9 adoption on the classification and measurement of financial assets as at 31 December 2022 and 1 January 2022

Financial Assets 31 December 2022 <i>In thousands of Naira</i>	IAS 39 classification	IFRS 9 classification & measurement	Company Carrying Amount 31- Dec-2022
Cash and cash equivalents	Loans and receivables	Amortised Cost	4,590,089
Held-to-Maturity financial assets	Held to Maturity	Amortised Cost	3,283,313
Available-for-sale financial assets			
- Unquoted equity securities	Available for sale	FVTOCI	-
- Quoted equity securities	Available for sale	FVTOCI	737,655
Trade receivables	Loans and receivables	Amortised cost	61,936
Reinsurance assets*	Loans and receivables	Amortised cost	208,841
Other receivables	Loans and receivables	Amortised cost	26,179
Statutory deposits	Loans and receivables	Amortised cost	500,000

Financial Assets 31 December 2022 <i>In thousands of Naira</i>	IAS 39 classification	IFRS 9 classification & measurement	Company Carrying Amount 31- Dec-2022
Cash and cash equivalents	Loans and receivables	Amortised Cost	4,337,564
Held-to-Maturity financial assets	Held to Maturity	Amortised Cost	2,716,453
Available-for-sale financial assets			
- Unquoted equity securities	Available for sale	FVTOCI	-
- Quoted equity securities	Available for sale	FVTOCI	667,535
Trade receivables	Loans and receivables	Amortised cost	44,995
Reinsurance assets*	Loans and receivables	Amortised cost	214,572
Other receivables	Loans and receivables	Amortised cost	26,111
Statutory deposits	Loans and receivables	Amortised cost	500,000

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets.

As shown above, the expected impacts of IFRS 9 adoption on shareholder's funds with the corresponding impact on net income is not expected to be material. This is because there is no class of asset that will be changed from being measured at fair value through other comprehensive income to fair value through profit or loss.

The Expected Credit Loss (ECL) model has not yet been completed, hence, estimates for the impairment charge to the statement of comprehensive income are not yet available.

(b) Amendments to IFRS 9

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

The Company will adopt the amendment upon the adoption of IFRS 9 on 1 January 2023.

(ii) IFRS 17 including amendments on Initial Application of IFRS 17 and IFRS 9 - Comparative Information

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

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

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

Notes to the Financial Statements

For the year ended 31 December 2022



The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted only if the entity has applied IFRS 9.

The Company is in the process of determining the impact of the standard. The Company will adopt the standard for the year ending 31 December 2023.

(iii) IFRS 17 - Insurance Contracts and IFRS 9 – Financial Instruments

The Company will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards are expected to bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are expected to have a material impact on the Company's financial statements in the period of initial application.

(a) Estimated impact of the adoption of IFRS 17 and IFRS 9

The Company's assessment of the estimated impact that the initial application of IFRS 17 and IFRS 9 will have on its consolidated financial statements is ongoing and the transition adjustments are expected to have a significant impact on the financial statements.

The assessment is in the preliminary stage and the actual impact of adopting IFRS 17 and IFRS 9 on 1 January 2023 and 2022 will materialise after:

- the Company has refined the new accounting processes and internal controls required for applying IFRS 17 and IFRS 9;
- the Company has finalised the testing and assessment of controls over its new IT systems and changes to its governance framework

The assessment of the impact of IFRS 17 and IFRS 9 below is preliminary because not all of the transition work has been finalized. The actual impact of adopting IFRS 17 and IFRS 9 on 1 January 2023 and 2022 may change from the information presented below:

- the Company is continuing to refine the new accounting processes and internal controls required for applying IFRS 17 and IFRS 9;
- the dry and parallel runs have not been done as at the end of 2022; also, the new systems and associated controls in place have not been operational for a more extended period;
- the Company has not finalized the testing and assessment of controls over its IT systems and changes to its governance framework; and
- the new accounting policies, assumptions, judgments, and estimation techniques employed are subject to change until the Company finalizes its financial statements that include the date of initial application.

(b) IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

i. Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with DPF.

When identifying contracts in the scope of IFRS 17, in some cases the Company will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

If a contract does not meet the definition of an insurance contract or the definition of an investment contract with discretionary participation features, then it falls outside the scope of IFRS 17. For products that are outside the scope of IFRS 17, the value of liabilities as determined by the applicable IFRS standard will be reported.

ii. Level of aggregation

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition.
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.



When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract. The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognised immediately (see (v) and (vi), on the measurement of the Life and Non- contracts). Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

iii. Contract boundaries

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

iv. Insurance Contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage). A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

v. Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

vi. Measurement- Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Company fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features.

Direct participating contracts are contracts that are substantially investment-related service contracts under which an investment return is promised based on underlying items; they are contracts for which,

All insurance contracts and investment contracts with DPF in the Participating segment are expected to be classified as direct participating contracts. Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. For an explanation of how the Company will apply the PAA. The Company expects that it will apply the PAA to all contracts in the non-life segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the Company is one year or less.
- Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

vii. Measurement - Non-Life

On initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Company will elect to recognise insurance acquisition cash flows as expenses when they are incurred. Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Company expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Company will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

Notes to the Financial Statements

For the year ended 31 December 2022



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

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

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

Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Company's financial statements. Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

Insurance service result

For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Company's current practice of recognising revenue when the related premiums are written.

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Company will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures. The Company may choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

viii. Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). For Participating and Non-life contracts, the Company will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

Presentation and Disclosure

An entity is required to present comparative financial information for the annual period immediately preceding the date of initial application i.e., the annual period starting from the transition date.

Notes to the Financial Statements

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IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts, reinsurance contracts and investment contracts with DPF. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

Impracticability Test

IFRS17 requires a restatement of the company's results as if IFRS17 had always been applicable (the "fully retrospective approach" unless it is "impracticable" to do so). Where a fully retrospective approach is impracticable, a "modified retrospective" or "fair value" approach are available. We will follow a fair value approach where a fully retrospective approach is impracticable.

The principles applied to test for impracticability:

- a) Risk adjustment
- b) Actual historic premiums and charges
- c) Actual historic expenses split between acquisition and maintenance expenses
- d) Historic discount rates
- e) Policy administration system change / past data

The likely examples of impracticability cut-off points in time will include policy administration system changes where past data was not captured or validated and valuation model/methodology changes e.g., transition from an NPV valuation methodology to a prospective calculation or transition to a more sophisticated valuation model requiring additional data fields.

(iv) IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for

However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023, Consequently, the Company will apply IFRS 9 for the first time on 1 January 2023,

Financial assets - Classification

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, IFRS 9 includes three principal measurement categories for financial assets - measured at amortised cost, FVOCI and FVTPL- and eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets,

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise,

Nevertheless, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, the election is made on an instrument-by-instrument basis.

Impact assessment

IFRS 9 will affect the classification and measurement of financial assets held at 1 January 2023 as follows.

- Most underlying items of Participating contracts and certain other financial investments are designated as at FVTPL under IAS 39. They will also be measured at FVTPL under IFRS 9.
- Derivative assets, which are generally classified as held-for-trading and measured at FVTPL under IAS 39, will also be measured at FVTPL under IFRS 9.
- Debt investments that are classified as available-for-sale under IAS 39 may, under IFRS 9, be measured at amortised cost, FVOCI or FVTPL, depending on the circumstances.
- Held-to-maturity investments and loans and receivables measured at amortised cost under IAS 39 will generally also be measured at amortised cost under IFRS 9.

Notes to the Financial Statements

For the year ended 31 December 2022



The Company's total equity is impacted only to the extent of any reclassifications between the amortised cost and fair value measurement categories. Financial assets - Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. This will require considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.

The new impairment model will apply to the Company's financial assets measured at amortised cost, debt investments at FVOCI and lease receivables. IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECL or lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument; 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Impact Assessment

The Company estimates that application of the IFRS 9 impairment requirements at 1 January 2023 and 2022 will result in additional loss allowances which is currently being evaluated. The Company's total equity is impacted by the IFRS 9 impairment requirements only to the extent of any loss allowances on financial assets measured at amortised cost and reinsurance receivables.

(v) Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.

(vi) Amendments to IAS 1 and IFRS Practice Statement Disclosure Initiative: Accounting Policies

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023

(vii) Amendment to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.

The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability

(viii) Amendments to IAS 8 Definition of Accounting Estimates

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

Notes to the Financial Statements

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The amendments also clarify the following:

- an entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.
- a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

3 Summary of significant accounting policies

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

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI are recognised in OCI.

(b) Cash and cash equivalents

Cash comprises cash in hand, and deposit placements. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in their fair value. Cash equivalents comprise investments with original maturities of three months or less and used by the Company to manage its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(c) Financial instruments

The classification of the Company's financial instruments depends on the nature and purpose of the instruments and are determined at the time of initial recognition.

(i) Classification of financial assets

The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications. The Company classifies its financial assets into the following categories:

- Available-for-sale (AFS) financial assets,
- Held to maturity,
- Loans and receivables

Available-for-sale financial assets (AFS)

Available-for-sale financial instruments are non-derivatives that are either designated as AFS or are not classified as: (a) loans and receivables;

(b) held-to-maturity investments; or

(c) financial assets at fair value through profit or loss.

The Company's quoted and unquoted equities are classified as Available for Sale.

Held to maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available-for-sale. The Company's investment in treasury bills and bonds are classified as held to maturity financial assets.

Notes to the Financial Statements

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Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This includes trade receivables, reinsurance receivables and other receivables.

(ii) Classification of financial liabilities

Financial liabilities can be classified as fair value through profit or loss or as other financial liabilities. A financial liability is classified as fair value through profit or loss if it is held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. The rest of the financial liabilities are classified as other financial liabilities. The Company's financial liabilities are classified as other financial liabilities. They include trade and other payables. Financial liabilities have been recognised in the statement of financial position and measured at amortised cost in line with their assigned classifications.

(iii) Initial recognition and measurement

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments that are not classified as fair value through profit and loss.

(iv) Subsequent measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their classification:

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are carried at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. The fair values for quoted instruments are determined by reference to regulated exchange quoted ruling prices or other quoted prices. If quoted market prices are not available, reference is also made to readily and regularly available broker or dealer price quotations.

The fair values of unquoted equities and other instruments for which there is no active market, are established using valuation techniques. These include the use of recent arm's length transactions, reference to the current market value of other instruments that are substantially the same and discounted cash flow analysis. Where the fair value of financial assets is determined using discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Available for sale equity instruments for which fair value cannot be reliably determined are carried at cost less impairment allowance (if any). Changes in the fair value of available-for-sale financial assets are recognized in the statement of other comprehensive income. When an AFS carried at fair value is disposed of, the cumulative gain or loss previously accumulated in the AFS reserve is reclassified to profit or loss account. Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Loans and receivables

Loans and receivables comprise of trade receivables, reinsurance receivables and other receivables.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment (if any). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Loans granted to staff at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

Trade receivables arising under insurance contracts are recognized when due. These include premium due from agents, brokers, co-assurers and insurance contract holders for which credit notes issued are within 90 days, in conformity with the "No premium no cover" policy. Trade receivables are stated at cost less impairment.

Held to maturity

Held-to-maturity investments are carried at amortised cost using the effective interest method, less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale, and would prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassification in any of the following circumstances would not trigger a reclassification:

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- sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- sales or reclassifications after the Company has collected substantially all of the asset's original principal; and
- sales or reclassifications that are attributable to non-recurring isolated events beyond the Company's control that could not have been reasonably anticipated.

Financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost. Trade payables are recognized when due. These include amounts due to agents, reinsurers, co-assurers and insurance contract holders. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(v) Fair value measurement

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

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability measured at fair value has a bid price and an ask price, then the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vi) Impairment of financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset or group of financial assets is impairment could include:

- Significant financial difficulty of the issuer or counter party;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial re-organization;
- the disappearance of an active market for that financial asset because of financial difficulties.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant or a period of nine months to be prolonged.

Loans and receivables and held to maturity

For loans and receivables and held to maturity instruments, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. 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 previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When the asset is impaired, impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables and held to maturity instruments. Interest on the impaired assets continues to be recognised through the unwinding of the discount.

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Trade receivables

An impairment is established when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been impaired. The carrying amount of the financial asset is reduced by the impairment loss through the use of an allowance account and recognized as impairment loss in income statement.

The Company's allowance for impairment is based on incurred loss model for each customer. The probability of default and the age of the debts are also taken into account in arriving at the impairment amount.

When a trade receivable is considered uncollectible, it is written off against the impairment allowance account.

Available-for-sale financial assets (AFS)

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss

(vii) De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and financial liability separately.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Impairment of other non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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(e) Reinsurance assets

The Company cedes insurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract.

Reinsurance assets are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that event has a reliably measurable impact on the amounts the Company will receive from the reinsurer.

The Company has the right to set off reinsurance payables against amounts due from reinsurers and coassurers in line with the agreed arrangement between both parties.

(f) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. For non-life insurance contracts, acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses. Deferred acquisition costs are amortised in the income statement systematically over the life of the contracts.

(g) Other receivables and prepayments

Other receivables balances include dividend receivable, sundry receivables and prepayments. Prepayment are essentially prepaid rents and staff upfront payments. Other receivables are carried at amortised cost less accumulated impairment losses.

(h) Interests in equity-accounted investees

The Company's interest in equity-accounted investees comprise investment in joint venture.

A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. An investment in a joint venture is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees (the joint venture), until the date on which joint control ceases.

(i) Investment properties

Investment properties are properties held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment properties are measured initially at fair value, including all transaction costs.

Subsequent measurement

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated and assessed annually by an external valuer who is accredited by the Financial Reporting Council of Nigeria.

De-recognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the income statement in the period of derecognition.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

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(j) Property and equipments

Recognition and measurement

Property and equipment comprise land, building and equipments owned by the company. Land and building are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building is recognised in profit or loss to the extent that it exceeds the balance, if any held in the properties revaluation reserve relating to a previous revaluation of that assets.

Furniture, fittings and other equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs

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

Depreciation

Depreciation is recognized so as to allocate the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

The estimated useful lives of property and equipment are as follows:

Land	Not depreciated
Building	50 years
Furniture and office equipment	5 years
Computer hardware	3 years
Motor vehicles	4 years
Plant and machinery	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

(k) Intangible assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of three years using the straight line method.

Intangible assets which are not available for use are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

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An intangible asset shall be derecognised by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (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 recognised.

Amortisation of intangible asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

(I) Current taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity respectively.

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

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

The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2.5% of assessable profit; Capital Gain Tax at 10% of chargeable gains, Information Technology Development levy at 1% of accounting profit, Police trust fund levy at 0.005% of Net profit and National Agency for Science and Engineering Infrastructure (NASENI) levy at 0.25% of profits before tax.

Minimum tax

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

Deferred tax

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

- * temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss;
- * temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- * taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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(m) Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LFN 2004 for the general insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at cost.

(n) Hypothecation of assets

The Company allocated its assets between the insurance funds and shareholders funds to meet the requirements of the Insurance Act 2003. The assets hypothecated are shown in note 51 to the financial statements.

(o) Provisions, Contingent assets and liabilities

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

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets and liabilities are never recognised but are disclosed in the financial statements when they arise.

(p) Insurance contract liabilities

(I) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unexpired risk reserve, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

Reserve for Unexpired risk

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date.

This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis. Also, a provision for additional unexpired risk reserve (AURR) is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for Incurred But Not Reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Liability Adequacy Test

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

Notes to the Financial Statements

For the year ended 31 December 2022



The Liability Adequacy Test (LAT) was carried out by O & A Hedge Actuarial Consulting (Consultant Actuaries & Chartered Insurers) under the supervision of Mr. Abraham Layemo Bolorunduro with FRC number (FRC/2016/NAS/00000015764).

(ii) Recognition and measurement of insurance contracts

Premium

Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Reinsurance cost represents outward premium paid/payable to reinsurance companies less changes in the unexpired portion of the outward premium as at end of the financial year.

Claims

Claims incurred comprise claims and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

(q) Employee benefits

(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution scheme

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company contributes 10% and employees contribute 8% each of the qualifying monthly emoluments in line with the Pension Reform Act. The Company's monthly contribution to the plan is recognized as an expense in profit or loss.

The Company pays contributions to privately administered pension fund administration on a monthly basis. The Company has no further payment obligation once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy

(iv) Other employee benefits

Other employee benefits are expected when they are incurred. Other personnel expenses relates to other benefits paid to staff of the Company. There is no other constructive or contractual obligations on the company aside from the actual amounts incurred.

(r) Leases

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

Notes to the Financial Statements

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As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Company has elected not to separate nonlease components and accounts for the lease and non-lease components as a single lease component.

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

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

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

The Company determines its incremental borrowing rate by analysing its borrowings from various the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease Payments that depend on an index or a Rate, initially measured using the index or Rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase Option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

Short term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. A significant proportion of the Company's leases are short term in nature. The leases of low values are N100,000 and below. Also, leases with period not more than one year are classified as prepayments.

The Company acting as a lessor

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

When the Company acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

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

(s) Capital and reserves

(i) Share capital

The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Notes to the Financial Statements

For the year ended 31 December 2022



Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount can be utilized as provided in Section 120(3) of Companies Allied Matters Act. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve

The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.

In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company credits its contingency reserve with an amount that is not less than 3% of gross premium or 20% of the total profit after taxation (whichever is greater) until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(iv) Retained earnings

The reserve comprises undistributed profit/ (loss) from previous years and the current year. Retained earnings is classified as part of equity in the statement of financial position.

(v) Fair value reserves

Fair value reserves represent the cumulative net change in the fair value of available-for-sale financial assets at the reporting date.

(vi) Asset revaluation reserve

The revaluation reserve relates to the surplus on revaluation of land and building at the end of the financial period. Increases in the value of these assets are recognised in other comprehensive income and accumulated in assets revaluation reserve until the assets are derecognised.

(t) Revenue recognition

(i) Gross written premium

Gross premium written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognised at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in (p)(ii) of the statement of accounting policies.

(ii) Gross premium income

This represents the earned portion of premium received and is recognised as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten.

(iii) Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees.

Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

(iv) Investment Income

Investment income consists of dividends, interest income on loans and receivables, interest income on held-to-maturity investments, and realized gains or losses as well as unrealised gains or losses on fair value assets.

Interest income

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

Notes to the Financial Statements

For the year ended 31 December 2022



The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Realized and unrealised gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying value as recorded on occurrence of the sale transaction. Unrealised gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealised gains and losses in respect of disposals during the year.

(v) Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property & equipment. Rental income is recognized on an accrual basis.

(u) Expense recognition

(i) Insurance claims and benefits incurred

Gross benefits and claims consist of benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage

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

Subrogation

Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of receiving the amount of the claim paid to the insured for the loss.

(ii) Underwriting expenses

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to income statement as they accrue or become payable.

(iii) Management expenses

Management expenses are charged to profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

4 Critical accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements

For the year ended 31 December 2022



(a) Assumptions and estimation uncertainties

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised thus:

- * in the period in which the estimate is revised, if the revision affects only that period, or
- * in the period of the revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included in the following notes:

- * Note 12 - Determination of fair value of investment properties
- * Note 14 - Determination of fair value of property and equipment
- * Note 37 - Income taxes
- * Note 21 - Recognition of deferred tax liabilities
- * Note 17 and 50 - Reserves for insurance contract liabilities: key actuarial assumptions.

(b) Judgments

The following are the critical judgments, apart from those involving estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Liabilities arising from insurance contracts

Claims arising from non-life insurance contracts

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is unlikely that the final outcome will prove to be different from the original liability established. The sensitivity triangulations for insurance contract liabilities are included in note 50.

(ii) Determination of fair value of investment property

Management employed the services of estate surveyors and valuers to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighbourhood properties were also considered in deriving the open market values. Other key assumptions are as disclosed in note 12 to the financial statements.

(iii) Impairment of financial assets

Management's judgment is required to assess and determine the amount of impairment for financial assets carried at amortised costs as well as the amount of impairment for trade receivables. The significant estimates and judgments applied in assessing the impairment on financial assets are as shown in the statement of accounting policies 3(c)(vi).

(iv) Deferred tax assets and liabilities

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Depreciation and carrying value of property and equipment and intangible assets

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of the assets will have an impact on the carrying value of these items. Depreciation and amortisation is recognised on the basis described in accounting policies note 3(j) and 3(k). There were no adjustments to the useful lives of property and equipment and intangible assets during the year.

Notes to the Financial Statements

For the year ended 31 December 2022



5 Cash and cash equivalents

<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Cash and balances held with banks in Nigeria		259,937	516,522
Placements with financial institution		4,330,152	3,821,042
		4,590,089	4,337,564

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash, this includes current account with banks, short term placement with banks and cash at hand.

Placements with financial institutions comprises term deposits with maturity not more than 90 days from the value date of the investment.

Maturity profile of cash and cash equivalent

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Current	4,590,089	4,337,564
Non-current	-	-
	4,590,089	4,337,564

6 Investment securities

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Available-for-sale financial assets (see note (a) below)	737,655	667,535
Held -to Maturity financial assets (see note (b) below)	3,283,313	2,716,453
	4,020,968	3,383,988

Maturity profile of investment securities

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Current	-	396,421
Non-current	4,020,969	2,987,567
	4,020,969	3,383,988

a Available -for-Sale financial assets

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Investment in quoted equity securities	737,655	667,535
	737,655	667,535

(i) Movement in available for sale financial assets are summarized below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance as at 1 January 2022	667,535	549,810
Addition during the year	-	-
Disposal during the year (see note 32(b))	-	-
Fair value gain	70,120	117,725
Balance as at 31 December 2022	737,655	667,535

b Held to maturity financial assets

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Long term placements	-	-
Federal Government Bonds	3,283,313	2,716,453
	3,283,313	2,716,453

(i) Movement in held to maturity financial assets are summarized below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	2,716,453	3,051,598
Addition during the year	869,916	1,412,604
Disposal/maturity during the year	(434,418)	(1,939,183)
Interest accrued	131,362	191,434
Balance as at period end	3,283,313	2,716,453

Notes to the Financial Statements

For the year ended 31 December 2022



(ii) Movement in bond is as summarized below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	2,716,453	1,257,700
Additions during the year	869,916	1,412,604
Interest accrued	131,362	191,434
Maturity of bond	(434,418)	(145,285)
Balance as at year end	3,283,313	2,716,453

(iii) Movement in long term placements is as summarized below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	-	1,793,898
Additions during the year	-	-
Disposal during the year	-	(1,793,898)
Interest accrued	-	-
Balance as at year end	-	-

7 Trade receivables

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Due from brokers, agents, and other insurance companies	229,956	213,016
Due from direct customers	23,573	23,573
	61,936	44,996
Impairment on trade receivables	(191,593)	(191,593)

The age analysis of trade receivables as at the end of the year are as follows:

<i>In thousands of Naira</i>	No. of policies	31-Dec-22	31-Dec-21
Age of debt			
Within 14 days	42	18,799	44,996
Within 15-30 days	21	21,728	-
Within 31-90 days	17	21,409	-
Within 91-180 days			
Above 180 days		191,593	191,593
		253,529	236,589

8 Reinsurance assets

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Prepaid Reinsurance Premium (see note (a) below)	555,590	417,121
Reinsurance share of outstanding claims and claims paid (see note (b) below)	208,841	214,572
Reinsurance share of IBNR (see note (c) below)	81,882	57,880
Reinsurance share of AURR (see note (d) below)	3	1,353
	846,316	690,926

Maturity profile of reinsurance assets

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Within 12 months	846,316	690,926
After 12 months	-	-
	846,316	690,926

(a) Prepaid reinsurance premium represents unamortised reinsurance cost at the end of the year. Cost associated with reinsurance are amortised over the life of the contract.

The movement in prepaid reinsurance premium is as follows

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	417,121	265,557
Reinsurance paid during the year (see note 28(a))	2,140,445	1,323,293
Amortisation during the year (see note 29)	(2,001,976)	(1,171,729)
	555,590	417,121

Notes to the Financial Statements

For the year ended 31 December 2022



(b) The movement in reinsurance share of outstanding claims is shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	214,572	164,709
Changes during the year	(5,731)	49,863
Balance, end of year	208,841	214,572

(c) Reinsurance share of IBNR comprise:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Reinsurance portion of IBNR claims	81,882	57,880
	81,882	57,880

The movement in reinsurance share of IBNR is shown below:

	31-Dec-22	31-Dec-21
Balance, beginning of the year	57,880	24,716
Changes during the year	24,002	33,164
Balance, end of year	81,882	57,880

(d) The movement in reinsurance share of AURR is shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	1,353	13,989
Charges during the year	(1,350)	(12,636)
Balance, end of year	3	1,353

9 Deferred acquisition cost

Deferred acquisition costs (DAC) represents commission paid during the year on unearned premium received among different classes of business. Deferred acquisition cost is as shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Deferred Acquisition Cost- Fire	53,769	38,913
Deferred Acquisition Cost- Gen. Accident	7,765	5,050
Deferred Acquisition Cost- Motor	20,483	15,030
Deferred Acquisition Cost- Marine	9,018	9,432
Deferred Acquisition Cost- Aviation	5,176	4,067
Deferred Acquisition Cost- Engineering	42,365	25,238
Deferred Acquisition Cost- Oil & Gas	40,376	24,868
Deferred Acquisition Cost- Bond	11	17
Deferred Acquisition Cost- Agric Insurance	5,360	3,565
	184,323	126,180

Movement in deferred acquisition cost is shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of year	126,180	89,042
Addition, during the year (See note 30(a))	568,106	441,136
Amortisation during the year	(509,963)	(403,998)
Balance, end of year	184,323	126,180

Maturity profile of deferred acquisition cost

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Within 12 months	184,323	126,180
After 12 months	-	-
	184,323	126,180

Notes to the Financial Statements

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10 Other receivables and prepayments

(a) Other receivables and prepayments comprise:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Prepayments	33,424	38,838
Prepaid rent	3,008	2,667
Rent receivable	3,500	3,500
Receivable of staff	26,179	22,611
Dividend receivable	9,871	9,833
WHT receivables	1,068	1,068
Receivable from Mingol Properties	25,698	187,277
Sundry receivable (see note (i) below)	27,490	27,489
	130,238	293,283
Less: impairment of other receivables	(37,323)	(37,323)
	92,915	255,960

(i) Sundry receivables represents amount due from exited staff. The full amount has been impaired and is part of the impairment of other receivables disclosed above.

(ii) Receivable from Mingol Properties represents amount due from Mingol Properties (see note 11)

(b). Movement in specific impairment in other receivables

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	37,323	37,323
Impairment write-back during the year	-	-
	37,323	37,323

(c) Classification of other receivables and prepayment into financial and non-financial assets

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Financial assets:		
Rent receivable	3,500	3,500
Receivable from staff	26,179	22,611
Dividend receivable	9,871	9,833
Sundry receivable	27,490	27,489
Receivable from Mingol Properties	25,698	187,277
	92,738	250,710
Impairment allowance	(37,323)	(37,323)
	55,415	213,387
Non - financial assets:		
Prepayment	33,424	38,838
Prepaid rent	3,008	2,667
WHT Receivable	1,068	1,068
	37,500	42,572
Impairment allowance	-	-
	92,915	255,959
Maturity profile of other receivables and prepayments		
<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
	N'000	N'000
Within 12 months	92,915	255,960
After 12 months	-	-
	92,915	255,960

Notes to the Financial Statements

For the year ended 31 December 2022



11 Investment in joint arrangement

In thousands of Naira

	31-Dec-22	31-Dec-21
Mingol Properties Limited	230	230

Mingol Properties Limited is a Special Purpose Entity (SPE) between CAP Phoenix Cornerstone Limited (CPCL), Cornerstone Insurance Plc and FIN Insurance Company Limited. The entity was created as an SPE to take over the residual rights and obligations of CPCL after CPCL was voluntarily liquidated following the disposal of its sole asset, an investment property. Its principal place of business is Lagos, Nigeria.

As at 31 December 2022, FIN Insurance Company Limited, Cornerstone Insurance Plc and CAP Phoenix Cornerstone Limited owned 23%, 28% and 49% respectively of the Company.

The Company has evaluated its investment in Mingol Properties Limited in line with the provisions of IFRS 11 - Joint arrangements with the conclusion that the investments met the criteria for recognition as investment in joint venture. Factors considered in reaching the conclusion include the following; the entity is structured through an arrangement that is legally separate from the joint participants, the legal form of the entity give the parties to the arrangement the rights to the net assets of the arrangement and not rights to the assets and obligations for the liabilities of the arrangement. In line with IFRS 11:24, the Company has continued to account for its investment in Mingol Properties Limited using the equity method of accounting in its financial statements.

The details of the investment in joint venture are presented below:

Name	Principal place of business	Percentage interest held
Mingol Properties Limited	Lagos, Nigeria	23%

The following table summarises the financial information of CAP Phoenix Cornerstone Limited as included in its own financial statements

In thousands of Naira

	31-Dec-22	31-Dec-21
Assets	-	2,345
Liabilities	-	1,345
Revenue	-	304,802
Profit/(loss) from continuing operation	-	117,526

Analysis of the investment in joint arrangement in Mingol Properties Limited is as shown below:

	31-Dec-22	31-Dec-21
	N'000	N'000
Balance, beginning of the year	230	133,556
Transfer of assets and liabilities from CAP Phoenix	-	-
Exchange gain	-	26,919
Share of profit/(loss) of joint venture	-	27,031
Sales of investment	-	(187,276)
Balance, end of the year	230	230

12 Investment properties

(a) Reconciliation of carrying amount

In thousands of Naira

	31-Dec-22	31-Dec-21
Opening balance	625,000	602,000
Fair value gain (see note 33)	55,000	23,000
	680,000	625,000

Investment properties comprise of investments made by the Company in landed properties in Plot 667 (No. 8A & 8B), Umuozu Street,

Notes to the Financial Statements

For the year ended 31 December 2022



Abuja and House No.16 & 18, 2nd Avenue, 21(D) Road F.H.A Lugbe FCT. The properties are held for the purpose of generating rental income or capital appreciation or both, and are not occupied for use in the operations of the Company. Revaluation was done by John Odiba & Partners, Estate Surveyors & Valuers. The name of the principal valuer is Mr. Odiba John Malik with FRC number FRC/2022/00000014211.

The investment properties are being carried in the name of Yankari Insurance Limited, which is the Company's former business name.

S/N	Date of Acquisition	Documentation	Location	Carrying Amount (N'000)	Steps taken for perfection
Land and Twin Duplex	2 August 2003	C of O DD 02.08.2005	Plot 667 8 (A&B) Umozi Street off Ladoke Akintola Boulevard, Garki II Abuja	620,000	The Company has a certified true copy of C of O, though title is still in the name of Yankari Insurance.
Land and Two Blocks of Flats	10 November 2000	FHA allocation letter FHA/ES/FCT/lg/nhp/33 DD 09.11.2001	House no 16 & 18 2nd Avenue, 21 (D) Road by Babangida market, beside Dominion Chapel, FHA Estate , Lugbe	60,000	The Company has a certified true copy of letter of allocation in the name of Yankari Insurance.
Total				680,000.00	

(b) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment properties of N680,000,000 (31 December 2021: N625,000,000) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

ii Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, 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.	- Prices per square meter - Rate of development in the area - Quality of the building - 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).

Notes to the Financial Statements

For the year ended 31 December 2022



iii Sensitivity analysis

The table below sets out the impact on equity and profit or loss of a 100 basis point movement in the open market price of the investment properties

	31-Dec-22 N'000	31-Dec-21 N'000
Fair value of investment properties	680,000	625,000
+10% movement in open market price	748,000	687,500
-10% movement in open market price	612,000	562,500

13 Intangible assets

Purchased softwares	31-Dec-22 N'000	31-Dec-21 N'000
Balance as at beginning of the year	39,086	31,822
Additions during the year	869	7,264
Balance as at year end	39,955	39,086
Accumulated amortization:		
Balance as at beginning of the year	30,678	27,674
Charge during the year	4,140	3,004
Balance as at year end	34,818	30,678
Net book value as at year end	5,137	8,407

(i) All items of intangible assets are non-current.



Statements of Changes in Equity

For the year ended 31 December 2022

14 Property and equipment

(a) Cost	Land	Building	Office equipment	Computer Hardware	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Bicycles	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance, 1 January 2022	1,340,000	273,500	40,314	74,873	2 04,623	6,976	47,844	172	1,988,302
Additions	-	0	314	8,162	-	-	77	-	8,553
Revaluation gain/loss	97,500	29,000	-	-	-	-	-	-	126,500
Disposal/Revocation	(4,000)	(1,000)	(245)	(810)	-	-	-	-	(6,055)
Balance, at 31 December 2022	1,433,500	301,500	40,383	82,225	204,623	6,976	47,921	172	2,117,300
Accumulated depreciation									
Balance, 1 January 2022	-	-	38,983	71,461	128,442	6,475	45,622	1 72	291,155
Charge for the year	-	5,581	603	4,630	28,804	191	1,075	-	40,884
Disposal	-	(245)	(810)	-	-	-	-	-	(1,055)
Reversal on revaluation	-	(5,581)	-	-	-	-	-	-	(5,581)
Balance, at 31 December 2022	-	-	39,341	75,281	157,246	6,666	46,697	172	325,403
Net book value									
At 31 December, 2022	1,433,500	301,500	1,042	6,944	47,377	310	1,224	-	1,791,897
At 1 January 2022	1,340,000	273,500	1,331	3,412	76,181	501	2,222	-	1,697,147



Statements of Changes in Equity

For the year ended 31 December 2022

14 Property and equipment

(b) Cost	Land	Building	Office equipment	Computer Hardware	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Bicycles	Total
Balance, 1 January 2021	1,302,300	261,850	41,126	72,406	145,813	7,086	48,790	172	1,879,543
Additions	-	1,775	179	3,744	64,750	-	424	-	70,872
Revaluation gain/loss	37,700	9,875	-	-	-	-	-	-	47,575
Disposal	(991)	(1,277)	(5,940)	(110)	(1,370)	-	(9,688)	-	-
Impairment loss (See Note 36)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	1,340,000	273,500	40,314	74,873	204,623	6,976	47,844	172	1,988,302
Accumulated depreciation									
Balance, 1 January 2021	-	-	38,807	69,059	108,102	5,956	44,724	172	266,820
Charge for the year	-	5,255	1,167	3,679	26,280	629	2,267	-	39,277
Accumulated impairment charge	-	-	-	-	-	-	-	-	-
Disposal	-	-	991	(1,277)	(5,940)	(110)	(1,369)	-	(9,687)
Reversal on revaluation	-	(5,255)	-	-	-	-	-	-	(5,255)
Reversal on impairment	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	-	-	38,983	71,461	128,442	6,475	45,622	172	291,155
Net book value									
At 31 December, 2021	1,340,000	273,500	1,331	3,412	76,181	501	2,222	-	1,697,147
At 31 December 2020	1,302,300	261,850	2,319	3,347	37,711	1,130	4,066	-	1,612,723

(i) Land and building were independently valued by John Odiba and Partners in 2022 to ascertain the open market value of the Land and building. The open market value of land and building as at 31 December 2022 was N1,735,000,000 (31 December 2021: N1,613,500,000) and a revaluation gain of N132,081,000 (31 December 2021 : N52,830,000) was recognised in other comprehensive income as the excess of the revalued amount over the carrying value of land and building.

(d) Revaluation gain for the year, before tax recognised in other comprehensive income was calculated as follows:

In thousands of naira	31-Dec-22	31-Dec-21
Revaluation gain on cost	126,500	47,575
Reversal of accumulated depreciation on revaluation	5,581	5,255
Revaluation gain	132,081	52,830
Reversal of accumulated revaluation on revocation of	(4,849)	-
Net revaluation gain	127,232	52,830

Notes to the Financial Statements

For the year ended 31 December 2022



- (e) Revaluation was done by John Odiba & Partners, Estate Surveyors & Valuers. The name of the principal valuer is Mr. Odiba John Malik with FRC number FRC/2022/00000014211.
- (f) Our title to land and building at Plots No A519 & A547, Peninsula Estate Phase 11 New Karu, Nasarawa State has been revoked by Nasarawa State Government. The cost of the land was N150,500 and accumulated revaluation gain was N4,849,500. The cost and accumulated depreciation totaling N5,000,000 have been eliminated from our books.
- (g) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2021: Nil). (h) The Company had no capital commitments as at the reporting date (31 December 2021: Nil)
- (i) Land has been assessed to have unlimited useful life. Hence, the Company has discontinued depreciation on land.
- (ii) All items of property and equipment are non-current.

Summary of title of the land and buildings are detailed below:

S/N	Description of Property	Location	Carrying Amount	Status of title documents
1	This property is bare land having C of O with File no. AD 10060:DD 06.06.2005	Plot No: 3459 Cadastral Zone A06 off Amazon Street Maitama	1,025,000,000	Legal power of Attorney executed by Atiku Abubakar dated 28th June 10-07-1905 The C of O is in the name of Atiku Abubakar with
2	This property is a duplex with BQ and is formerly covered by C of O with File no OG 10050 and now covered by a registered Deed of Assignment in the name of FIN Insurance Company Limited.	34 Gana Street Maitama Abuja	700,000,000	The Company has a Deed of Assignment transferring title of the property from Gabriel Abiodun Sobajo to Fin Insurance Company Ltd d 29 a
3	This is a bare land covered by a C of O with no. BA/38894 in the name of FIN Insurance Company Limited	Plot (Plan) No.BA/38894, Sunshine International School Road, off Bauchi-Das Road,	10,000,000	The Company has Statutory C of O no. BA/38894 issued by Bauchi State of Nigeria dated 5th May 2016
Total			1,735,000,000	

15 Statutory deposits

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Statutory deposit	500,000	500,000
	500,000	500,000

increase or decrease in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance and does not qualify as cash and cash equivalent.

Maturity profile of statutory deposit

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Current	-	-
Non-current	500,000	500,000
	500,000	500,000

16 Insurance contract liabilities

- (a) Insurance contract liabilities comprises:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Outstanding claims (see (c)(I) below)	633,751	747,261
Incurred but not reported (IBNR) claims (see note (c)(iii))	225,702	230,736
	859,453	977,997
Unexpired Risk Reserve (see (d) below)	1,133,914	747,271
	1,993,367	1,725,268

Outstanding claims represent the estimated cost of settling all claims arising from incidents occurring before the reporting date.

Notes to the Financial Statements

For the year ended 31 December 2022



(b) Maturity profile of insurance contract liabilities

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Current	994,107	702,377
Non-current	999,260	635,793
	1,993,367	1,338,170

(c)(i) Analysis of provision for outstanding claims is as follows;

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	145,070	179,864
Accident	48,565	26,647
Motor	78,938	56,161
Marine	4,669	1,000
Bond	-	8,000
Engineering	49,295	12,540
Aviation	44,240	46,764
Oil & Gas	262,747	411,285
Agric	227	5,000
	633,751	747,261

(ii) The movement in provision for outstanding claims during the year was as follows;

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Beginning of the year	747,261	586,396
Changes in outstanding claims reserve during the year (see note 30)	(113,510)	160,865
Balance, end of period	633,751	747,261

(iii) The incurred but not reported reserves by class of contract is summarised below by reference to liabilities:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	74,415	92,278
Accident	35,967	19,604
Motor	51,425	36,587
Marine	2,588	548
Bond	72	509
Engineering	10,521	2,734
Aviation	7,630	7,922
Oil & Gas	42,930	67,200
Agriculture	152	3,354
	225,702	230,736

(iv) Analysis of total outstanding claims is as follows

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	219,485	272,142
Accident	84,532	46,251
Motor	130,363	92,748
Marine	7,257	1,548
Bond	72	8,509
Engineering	59,816	15,274
Aviation	51,870	54,686
Oil & Gas	305,677	478,485
Agriculture	379	8,354
	859,451	977,997

(v) The movement in outstanding claims during the year was as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Beginning of the year	977,997	734,822
Addition of claims provision during the year	282,378	543,852
Claims paid during the year (see note 30)	(400,924)	(300,677)
Balance, end of the year	859,451	977,997

Notes to the Financial Statements

For the year ended 31 December 2022



(vi) Aging analysis of the outstanding claims for the period ended 2022 is as follows;

Outstanding claims	0-90			91-180	181-360	Above 360	Total
From	To	No of Claimant	days	days	days	days	
1	250,000	304	N'000	N'000	N'000	N'000	N'000
250,001	500,000	77	2,797	1,640	4,092	17,406	25,935
500,001	1,500,000	45	12,899	4,500	10,300	9,049	36,748
1,500,001	2,500,000	39	7,461	4,876	6,850	27,410	46,597
2,500,001	5,000,000	12	25,914	5,513	16,100	30,528	78,055
5,000,001	Above	18	17,700	5,813		15,293	38,806
		495	-	69,880	57,175	280,554	407,609
			66,771	92,222	94,517	380,240	633,750

Outstanding claims above 90 days are those that are awaiting relevant documentation to facilitate settlement. Sufficient funds have been set aside to meet these obligations

(vii) Reclassified to prepaid rent due to the short term tenor of the advance

	0-90 days		91-180 days		181-270 days	
Reasons	Qty	N	Qty	N	Qty	N
1. Discharged Voucher signed and ret	-	-	-	-	-	-
2. Discharged Voucher not yet signed	-	-	-	-	-	-
3. Documentation	60	50,746.55	30	70,088.66	37	34,418.47
4. Claims reported but being adjusted	-	-	-	-	-	-
5. Claims repudiated	-	-	-	-	-	-
6. Awaiting adjuster final report	19	16,025.23	10	22,133.26	12	10,868.99
7. Litigation awarded	-	-	-	-	-	-
8. Awaiting Lead Insurer's instruction	-	-	-	-	-	-
9. Third party liability outstanding	-	-	-	-	-	-
10. Adjuster's Fee payable	-	-	-	-	-	-
11. Etc.	-	-	-	-	-	-
Total	79	66,772	40	92,222	49	45,287

	271-365 days		Above 360 days		
Reasons	Qty	N	Qty	N	Total
1. Discharged Voucher signed and ret	-	-	-	-	-
2. Discharged Voucher not yet signed	-	-	-	-	-
3. documentation	55	73,350.64	193	253,046.56	481,650.88
4. Claims reported but being adjusted	-	-	-	-	-
5. Claims repudiated	-	-	-	-	-
6. Awaiting adjuster final report	17	23,163.36	62	79,909.44	152,100.28
7. Litigation awarded	-	-	-	-	-
8. Awaiting Lead Insurer's instruction	-	-	-	-	-
9. Third party liability outstanding	-	-	-	-	-
10. Adjuster's Fee payable	-	-	-	-	-
11. Etc.	-	-	-	-	-
Total	72	96,514	255	332,956	633,751

Notes to the Financial Statements

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(vii) Aging analysis of outstanding claims for the year ended 2021 is as follows

Outstanding claims per claimant		0-90 days	91-180 days	181-360 days	Above 360 days	
From To	N'000	N'000	N'000	N'000	N'000	Total
1	250000	3,738	3,213	5,730	8,686	21,367
250,001	500000	6,625	2,194	6,139	8,994	23,952
500,001	1,500,00	10,305	1,328	3,951	17,441	33,024
1,500,001	2,500,000	10,304		58,386	63,075	131,765
2,500,001	5,000,000	21,500	-	500	17,345	39,345
5,000,001	Above	93,110	-	158,801	245,897	497,807
		145,582	6,735	233,507	361,438	747,260

The movement in IBNR - Incurred But Not Reported claims is shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	230,736	148,427
(Reduction)/addition during the year (see note 30)	(5,034)	82,309
Balance, end of the year	225,702	230,736

(d) Unexpired risk reserve

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of the year	747,271	603,348
Increase in unexpired risk reserve(see note 27(a))	386,643	143,923
Balance, end of the year	1,133,914	747,271

(i) Analysis of unexpired risk reserve is as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	273,130	191,291
Accident	37,817	24,982
Motor	168,391	120,291
Marine	45,043	49,135
Bond	47	156
Engineering	202,989	113,892
Aviation	35,589	35,882
Oil and Gas	325,063	192,872
Agric Insurance	45,845	18,770
	1,133,914	747,271

The unexpired risk reserve is divided into unearned premium reserve and additional unexpired risk reserve (AURR)

(ii) Analysis of unearned premium reserve is as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	273,130	191,291
Accident	37,817	24,982
Motor	168,391	120,291
Marine	45,043	46,947
Bond	43	142
Engineering	202,989	113,892
Aviation	35,589	35,882
Oil and Gas	325,063	192,512
Agric Insurance	45,845	18,770
	1,133,910	744,709

(iii) Analysis of additional unexpired risk reserve is as follows:

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In thousands of Naira	31-Dec-22	31-Dec-21
Fire	-	-
Accident	-	-
Motor	-	-
Marine	-	2,188
Bond	4	14
Oil and Gas	-	360
	4	2,562

(iv) Analysis of unexpired risk reserve

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Unearned premium reserve (see 17(d)(ii))	1,133,910	744,709
Additional unexpired risk reserve (see 17(d)(iii))	4	2,562
Balance, end of year	1,133,914	747,271

17 Trade payables

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Amount due to insurance companies and reinsurers	177,284	130,856
Unearned commission on reinsurance	119,967	102,515
Premium Deposit (see note (i) below)	138,731	109,792
	435,982	343,163

(i) Premium deposits represents outstanding bank credits which have not been matched to the prospective policy holders

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Maturity profile of trade payable		
Within 12 months	435,982	343,163
After 12 months	-	-
	435,982	343,163

18 Accruals and other liabilities

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Accrued expenses (see note (I) below)	N'000	N'000
	79,854	116,436
Provision for audit fees	17,538	12,538
Intercompany payable (see note (ii) below)	59,204	69,804
Provision for insurance levy	32,769	22,204
Sundry payables	13,298	11,721
	202,663	232,703

(i) Accrued expenses include provision for Professional fee, NAICOM levy and sundry creditors.

(ii) This is made up of expenses incurred by the parent company on behalf of the FIN Insurance Company Limited

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Maturity profile of provision and other payables		
Within 12 months	202,663	232,703
After 12 months	-	-
	202,663	232,703

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19 Current income tax liabilities

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of year	99,306	138,268
Charge for the year (see note 37(a))	123,564	73,127
Payments during the year	(74,385)	(112,089)
Balance, end of year	148,485	99,306

(a) Maturity profile of taxation payable

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Within 12 months	148,485	99,306
After 12 months	-	-
	148,485	99,306

20 Deferred tax liability

(a) The movement in this account during the year was as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of year	64,815	39,142
Charge for the year (see note (b)) below	47,036	25,673
Balance, end of year	111,851	64,815

(b) The movement in deferred tax liability is attributable to:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Charge to other comprehensive income	12,723	5,283
Charge to profit or loss (see note 37(a))	34,313	20,390
Balance, end of year	47,036	25,673

(c) The movement in net deferred tax liability is attributable to:

<i>In thousands of Naira</i>	31-Dec-21	Recognised in profit or loss	Recognised in OCI	31-Dec-22
Property and equipment	24,934		34,313	59,247
Fair valuation of investment property	39,881		12,723	52,604
Unrelieved tax losses	-		-	-
	64,815	-	47,036	111,851

<i>In thousands of Naira</i>	31-Dec-20	Recognised in profit or loss	Recognised in OCI	31-Dec-21
Property and equipment	46,336	(21,402)		24,934
Fair valuation of investment property	31,000	3,598	5,283	39,881
Unrelieved tax losses	(38,194)	38,194	-	-
	39,142	20,390	5,283	64,815

Deferred tax liability has been classified as a non-current item

21 Share capital:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
<i>Issued and fully paid:</i>		
5,000,000,000 Ordinary shares of N1 each	5,000,000	5,000,000

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

Notes to the Financial Statements

For the year ended 31 December 2022



(b) The movement in share capital

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of year	5,000,000	5,000,000
Issue of bonus shares	-	-
Right issue of shares	-	-
Balance, end of year	5,000,000	5,000,000

22 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

<i>In thousands of Naira</i>	31-Dec-22	1-Dec-21
Balance, end of period	93,878	93,878

23 Statutory contingency reserves

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Balance, beginning of year	1,296,658	1,147,847
Transfer from retained earnings	103,162	148,811
Balance, end of period	1,399,820	1,296,658

The statutory contingency reserve is prescribed under section 21 (1&2) of the Insurance Act of Nigeria. The Company is mandated to maintain a statutory contingency reserve to cover for fluctuation in securities and variations in statistical estimates.

This reserve is credited with an amount of not less than 3% of the gross premium or 20% of the net profit (whichever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital or 50% of the premium (whichever is greater).

24 Other reserves

Other reserves include the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired. This reserve also includes revaluation gain on the revaluation of the Company's Land and building class of property and equipment. See details below:

<i>In thousands of Naira</i>	Fair value reserve	Asset revaluation reserve	Total
Balance at 1 January 2022	137,380	890,764	1,028,144
Fair value gain on available-for-sale financial assets, net of taxes	70,120	114,509	184,629
Revaluation gain on land and building, net of taxes	-	-	-
Balance at 31 December 2022	207,500	1,005,273	1,212,773

Other reserves as at 31 December 2021 were as follows;

<i>In thousands of Naira</i>	Fair value reserve	Asset revaluation reserve	Total
Balance at 1 January 2021	19,655	843,217	862,872
Fair value gain on available-for-sale financial assets, net of taxes	117,725	47,547	165,272
Revaluation gain on land and building, net of taxes	-	-	-
Balance at 31 December 2021	137,380	890,764	1,028,144

25 Retained earnings

The movement in this account during the year is as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Opening retained earnings as reported previously	1,786,463	1,190,931
Balance, beginning of year	1,786,463	1,190,931
Profit for the year	491,691	744,417
Transfer to contingency reserves	(103,162)	(148,885)
Balance, end of period	2,174,992	1,786,463

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

Notes to the Financial Statements

For the year ended 31 December 2022



26 Gross premium written

Gross premium written is derived from the following business:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	906,656	517,363
Accident	147,434	110,729
Motor	640,082	379,045
Marine	141,045	114,262
Bond	569	1,351
Engineering	261,593	180,161
Agriculture	208,571	93,287
Aviation	253,168	230,530
Oil & Gas	879,600	616,122
	3,438,718	2,242,850

(a) Gross premium income

The gross premium income is analyzed as follows:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Gross premium	3,438,718	2,242,850
(Increase)/Decrease in unearned premium (see note 17(d))	(386,643)	(143,923)
	3,052,075	2,098,927

27 Reinsurance expenses

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Reinsurance premium ceded (See Note (a))	2,140,445	1,323,292
Increase in prepaid reinsurance premium (See Note (b) below)	(138,468)	(151,566)
	2,001,977	1,171,726
Changes in reinsurance share of AURR (see note (b) below)	1,350	12,635
Balance, end of the period	2,003,327	1,184,361

(a) Analysis of reinsurance premium ceded is as follows;

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	817,594	453,421
Accident	16,505	2,488
Motor	173,511	71,364
Marine	95,985	91,790
Bond	341	466
Engineering	226,390	170,591
Agriculture	157,074	73,979
Aviation	131,597	107,053
Oil & Gas	521,447	342,140
	2,140,445	1,323,292

(b) Analysis of (increase)/decrease in prepaid reinsurance premium

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	23,144	(107,654)
Accident	(655)	(8,058)
Motor	5,085	35,459
Marine	10,997	(3,103)
Bond	(2)	100
Engineering	(70,297)	(35,711)
Agric Insurance	(22,781)	(4,184)
Aviation	(1,900)	(71)
Oil & Gas	(82,059)	(28,344)
	(138,468)	(151,566)

Notes to the Financial Statements

For the year ended 31 December 2022



Analysis of changes in reinsurance share of AURR	31-Dec-22	31-Dec-21
Fire	-	2,644
Accident	-	281
Motor	-	3,132
Marine	1,330	(1,330)
Bond	7	9
Oil & Gas	13	7,899
	1,350	12,635
(c) Analysis of reinsurance expenses	31-Dec-22	31-Dec-21
Fire	840,738	348,411
Accident	15,850	4,711
Motor	178,596	109,955
Marine	108,312	87,357
Bond	346	575
Engineering	156,093	134,880
Agric Insurance	134,293	69,795
Aviation	129,697	106,982
Oil & Gas	439,401	321,695
	2,003,326	1,184,361
28 Fees and commission income		
<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Reinsurance commission	517,171	245,652
(a) Reinsurance commission		
Fire	180,362	137,475
Accident	2,335	1,438
Motor	30,364	12,489
Marine	26,462	23,021
Bond	102	140
Engineering	66,157	47,848
Agric Insurance	20,564	20,294
Aviation	5,062	250
Oil & Gas	97,673	39,058
	429,083	282,012
(b) Movement in unearned commission		
Fire	13,156	(29,623)
Accident	647	(1,082)
Motor	890	6,205
Marine	1,947	(574)
Bond	-	30
Engineering	(16,429)	(11,051)
Agric Insurance	(1,378)	(1,258)
Aviation	(539)	(34)
Oil & Gas	(15,746)	1,027
	(17,452)	(36,360)
(c) Summary of commission income		
Fire	193,518	107,852
Accident	2,983	356
Motor	31,254	18,694
Marine	28,409	22,447
Bond	102	170
Engineering	49,728	36,797
Agric Insurance	19,186	19,036
Aviation	4,523	215
Oil & Gas	81,927	40,085
	411,630	245,652

Notes to the Financial Statements

For the year ended 31 December 2022



(d) Reinsurance fee income		
Fire	101	890
Motor	1,496	-
Engineering	2,154	-
	105,541	-
(e) Summary of Fee & commission income		
Fire	295,408	107,852
Accident	2,983	356
Motor	32,751	18,694
Marine	28,409	22,447
Bond	102	170
Engineering	51,882	36,797
Agric Insurance	19,186	19,036
Aviation	4,523	215
Oil & Gas	81,927	40,085
	517,171	245,652
29 Gross claims incurred		
<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Claims paid during the year	400,924	300,677
Changes in outstanding claims reserve (see note 17(c)(ii))	(113,510)	160,865
Changes in IBNR reserve (see note 17(c)(vii))	(5,034)	82,309
Gross claims incurred (a)	282,380	543,851
Analysis of claim recoveries from reinsurers		
Claim recovered from reinsurance	(164,978)	(135,826)
Changes in reinsurance share of Outstanding claims (see note 8(b))	5,731	(49,863)
Changes in reinsurance share of IBNR (see note 8©)	(24,002)	(33,164)
Claim recoveries from reinsurers (b)	(183,249)	(218,853)
Recovery due from salvage ©	(1,760)	(4,020)
Claim recoveries from reinsurers and others (b+c)	(185,009)	(222,873)
Net claim (recoveries)/expenses (a+b+c)	97,371	320,978
30 Underwriting expenses		
Underwriting expenses are categorised into commission/acquisition expenses and maintenance expenses. Commission/acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other incidental costs attributable to maintenance.		
a The analysis of the underwriting expenses are as follows:		
<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Commission paid in the year (See (i) below)	568,107	403,998
Movement in deferred acquisition costs (See (iii) below)	(58,144)	(37,137)
	509,963	366,861
Maintenance cost expenses	198,863	102,578
	708,826	469,439
(a)i Commission paid during the year is as analysed by class below:		
<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	167,557	108,242
Accident	35,426	27,419
Motor	80,332	48,549
Marine	30,109	23,815
Bond	180	240
Engineering	52,473	44,009
Agric Insurance	24,484	8,410
Aviation	48,429	33,546
Oil & Gas	129,116	99,768
	568,106	403,998

Notes to the Financial Statements

For the year ended 31 December 2022



Gross claims incurred (a)

(a)ii Maintenance cost expenses

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Fire	71,518	21,704
Accident	8,714	4,874
Motor	32,250	26,807
Marine	5,448	6,057
Bond	11	52
Engineering	5,322	6,930
Agric Insurance	26,433	3,588
Aviation	6,957	8,867
Oil & Gas	42,209	23,699
	198,863	102,578

(a)iii Analysis of movement in deferred acquisition cost is shown below

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
	N'000	N'000
Fire (	14,856)	(23,897)
Accident	(2,715)	(1,486)
Motor	(5,453)	5,917
Marine	414	(1,277)
Bond	6	20
Engineering	(17,127)	(10,440)
Agric Insurance	(1,795)	(1,519)
Aviation	(1,110)	(1,809)
Oil & Gas	(15,508)	(2,646)
	(58,144)	(37,137)
Total (i)+(ii)+(iii)	708,825	469,439

31 Investment income

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Dividend income on available for sale equity	54,216	51,463
Interest income (see note a below)	424,106	360,964
Rental income from investment property	6,500	12,500
Exchange gain	206,623	672,106
	691,445	1,097,033

(a) The interest income is as shown below:

<i>In thousands of naira</i>	31-Dec-2022	31-Dec-2021
Interest income on bonds	217,289	172,101
Interest income on placements	186,288	181,239
Interest on CBN statutory deposit	20,529	7,624
Total interest income	424,106	360,964

32 Fair value gains and losses

<i>In thousands of naira</i>	31-Dec-2022	31-Dec-2021
Fair value gain on investment property	55,000	23,000
	55,000	23,000

33 Other income

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
(Loss)/profit on disposal of property and equipment (see note 45(i))	52	139
Other income	32,595	1,534
	32,647	1,673

* Other income represents provisions no longer required written back to income.

Notes to the Financial Statements

For the year ended 31 December 2022



34 Personnel expenses

In thousands of Naira

	31-Dec-22	31-Dec-21
Wages and salaries	381,722	315,636
Pension cost	20,890	18,874
Other staff cost*	65,061	39,410
	467,673	373,920

* Other staff cost represents discretionary payments paid to staff of the Company during the year.

35 Other operating expenses

In thousands of Naira

	31-Dec-22	31-Dec-21
Promotional expenses	6,223	11,187
Rental expenses	15,121	11,349
Auditors remuneration	17,200	11,000
Directors allowance	26,664	18,198
NAICOM levy	37,680	23,111
Professional fees*	70,878	65,482
Bank charges	13,267	14,621
Repairs & maintenance expense	34,486	31,605
Donation	-	100
Overhead/other administrative expenses**	43,193	22,002
Insurance expenses (group life & properties)	14,563	12,783
Hotel accommodation expenses	27,943	6,286
Fines and penalties	250	-
Training and development	30,341	8,918
Transport and travellings expenses	7,304	3,447
Subscription	11,675	4,213
Auxillary staff salary	19,761	20,100
	376,547	264,403

*Professional fees includes management fees to Capital Alliance Nigeria Limited for advisory services on investment, legal fees, etc

**Overhead/other administrative expenses includes entertainment, insurance premium on company assets, postages, withholding tax expenses, etc.

(b) Disclosures on Non-audit services

The external auditors, KPMG Professional Services did not provide any non-audit service during the year (2021: Nil). No non-audit fees were paid to KPMG Professional Services during the year. (2021: Nil)

36 Income taxes

(a) The tax charge for the year comprises:

In thousands of Naira

	31-Dec-22	31-Dec-21
Current income tax expense		
Income tax expense	107,297	54,475
Tertiary education tax	9,719	10,580
National Information Technology Development Agency levy	6,515	8,032
Police Trust Fund Levy	33	40
Current income tax (a)	123,564	73,127
Current and minimum tax (b)	123,564	73,127
Deferred taxes:		
Originating temporary differences (see note 21(b)(c))	34,313	20,391
Total income tax (a+c)	157,877	93,518
Total tax (b+c)	157,877	93,518

Notes to the Financial Statements

For the year ended 31 December 2022



- (b) The effective tax reconciliation for the Company is as follows:

<i>In thousands of Naira</i>			31-Dec-22	31-Dec-21
Profit before tax			649,568	837,934
Income tax using the domestic corporation tax rate	30%	194,870	30%	251,380
Non-deductible expenses	39%	251,374	10%	86,743
Tax exempt income	-33%	(217,289)	-25%	(210,679)
Tertiary education tax	1%	9,719	1%	10,580
NITDA Levy	1%	6,515	1%	8,032
Police Trust Fund levy	0%	33	0%	40
deductible temporary difference	-13%	(87,345)	-6%	(52,580)
	24%	157,877	11%	93,516

The effective tax rate for the Company as at 31 December 2022 is (24%) (31 December 2021: 11%)

37 Earnings per share

<i>In thousands of naira</i>		31-Dec-22	31-Dec-21
Profit attributable to shareholders		491,691	744,416
Weighted average number of ordinary shares at end of year		5,000,000	5,000,000
Basic earnings per share (in kobo)		10	15

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding at end of year.

The Company does not have any instrument with a dilutive effect on its capital. Hence, the diluted earnings per share is same as the basic earnings per share.

38 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercises influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes associates, joint ventures and the Company's pension schemes, as well as key management personnel.

(a) Transaction with related parties

The Company's related party includes its parent: Cornerstone Insurance Plc, as well as the subsidiaries of the parents. Cornerstone Insurance Plc owned 96.68% of Fin Insurance Company Limited.

The Company has 23% holding in CAP Phoenix Cornerstone Limited, a joint venture between Cornerstone Insurance Plc, CAP Phoenix Limited and FIN Insurance Company Limited.

Transactions and balances with related parties are presented below:

<i>In thousands of Naira</i>		31-Dec-22	31-Dec-21
Intercompany payable-Cornerstone Insurance Plc		(59,248)	(69,848)
Intercompany receivable-Halal Takaful Nig		44	44

(b) Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties.

The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who maybe expected to influence, or be influenced by that individual in their dealings with the Company.

Key management personnel compensation for the year comprises:

<i>In thousands of Naira</i>		31-Dec-22	31-Dec-21
Short term benefits		108,926	92,286
		108,926	92,286
<i>In thousands of Naira</i>		31-Dec-22	31-Dec-21
Fees as directors		21,175	15,600
Fees and other emoluments (excluding pension contributions) disclosed above include amounts paid to :			
The chairman		4,125	2,750
The highest paid director		49,939	47,514

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges were :

Notes to the Financial Statements

For the year ended 31 December 2022



	31-Dec-22 Number	31-Dec-21 Number
130,000 - 150,000	-	-
150,001 - 200,000	-	-
Above 200,000	7	7
	7	7

39 Employees

- (a) The average number of persons employed (excluding non executive directors) in the Company during the year was

In thousands of Naira

	31-Dec-22 Number	31-Dec-21 Number
--	---------------------	---------------------

Average number of employees	50	49
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The staff costs for the above employees was:

In thousands of Naira

	31-Dec-22	31-Dec-21
Wages & salaries	381,722	315,636
Other pension costs	20,890	18,874
Other benefits	65,061	39,410
	467,673	373,920

- (b) The number of employees of the Company, other than directors, who received emoluments in excess of N100,000 are shown in the following ranges:

	31-Dec-22 3 Number	1-Dec-21 Number
500001 - 1000000	-	-
1000001 - 2000000	1	1
2000001 - 3000000	-	-
3000001 - 4000000	20	18
40000010 - 500000	2	8
Above 5,000,000	25	20
	48	47

The Company operates a contributory pension scheme in accordance with the provision of the Pension Act 2014. The contribution by the employees and the company are 8% and 10% respectively of the employees basic salary, housing and transport allowances. The contribution by the company during the year is N20,890,000 (2021: N18,874,000).

40 Capital commitments

The company had no capital commitments as at the reporting date. (31 December 2021: Nil)

41 Litigations and contingent liabilities

The Company, in its ordinary course of business, is presently involved in one (1) (31 December 2021: one (1) legal action with no contingent liability (31 December 2021: Nil).

42 Events after the reporting date

There are no post balance sheet events which could have a material effect on the financial statement of the Company as at 31 December 2022 which have not been disclosed.

43 Contraventions , Fines and penalties

In thousands of Naira

	31-Dec-22	31-Dec-21
NAICOM fine for non-upload of real time data on NAICOM's portal	250	-

Notes to the Financial Statements

For the year ended 31 December 2022



44 Reconciliation notes to the statement of cashflow

(a) Insurance premium received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Trade receivable as at 1 January	7	44,996	45,904
Gross premium written during the year	26	3,438,718	2,242,850
		3,483,714	2,288,754
Trade receivable as at 31 December	7	(61,936)	(44,996)
		3,421,778	2,243,758
Premium deposits as at 31 December	17	109,792	102,563
Insurance Premium received (a)		3,311,986	2,141,195
(ai) Premium deposit received			
<i>In thousands of Naira</i>			
Premium deposit as at 1 January	Notes	31-Dec-22	31-Dec-21
	17	(109,792)	(102,563)
Premium deposit as at 31 December	17	138,731	109,792
		28,939	7,229
(b) Reinsurance premium paid			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Amount due to reinsurers as at 1 January	18	130,856	58,960
Reinsurance ceded	28	2,140,445	1,323,292
Amount due to reinsurers as at 31 December	18	(177,284)	(130,856)
		2,094,017	1,251,396
(c) Reinsurance commission received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Unearned commission on reinsurance as at 1 January	18	(102,515)	66,155
Commission income during the year	31	517,171	245,652
Unearned commission on reinsurance as at 31 December	18	119,967	(102,515)
		534,623	209,292
(d) Reinsurance claim received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Claims recovered from reinsurance	30	164,978	135,826
		164,978	135,826
(e) Management expenses and other operating cashflows			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Accrued expenses as at 1 January	19	116,436	62,469
Provision for audit fees as at 1 January	19	12,538	12,763
Sundry payables as at 1 January	19	11,721	5,209
Intercompany payable as at 1 January	19	69,804	77,317
Accrued expenses as at 31 December	19	(79,854)	(116,436)
Provision for audit fees as at 31 December	19	(17,538)	(12,538)
Intercompany payable as at 31 December	19	(59,204)	(69,804)
Sundry payables as at 31 December	19	(13,298)	(11,721)
Changes in other payables (A)		40,605	(52,741)
Prepayments as at 1 January	10	(41,505)	(55,767)
Receivables from staff 1 January	10	(22,611)	(2,787)
Sundry receivable as at 1 January	10	(27,489)	(27,489)
Prepayments as at 31 December	10	33,424	41,505
Receivables from staff 31 December	10	26,179	22,611
Sundry receivable as at 31 December	10	27,490	27,489
Changes in other receivables and prepayments (B)		(4,512)	5,562
Net changes in operating assets and liabilities (C=A+B)		36,093	(47,179)
Other non-cash adjustments		(224,576)	(409,191)
Other operating expenses recognised during the year	36	376,547	244,302
Other income recognised during the year	34	(32,595)	(1,535)
Management expenses and other operating cashflows		155,469	(213,603)

Notes to the Financial Statements

For the year ended 31 December 2022



(f) Interest income received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Accrued interest income opening		41,237	128,506
Interest income per income statement	32	424,106	60,964
Accrued interest income closing		(21,268)	(41,237)
		444,075	448,233
(g) Dividend received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Dividend receivable as at 1 January	10	9,833	9,833
Dividend income on available for sale equity	32	54,216	51,463
Dividend receivable as at 31 December	10	(9,871)	(9,833)
		54,178	51,463
(h) Rent received			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Rent receivable as at 1 January	10	-	-
Rental income	32	6,500	12,500
Rent receivable as at 31 December	10	-	-
		6,500	12,500
(i) Proceeds on disposal of property and equipment			
<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Cost of disposed property and equipment	14	1,055	9,688
Accumulated depreciation on disposed property and equipment	14	(1,055)	(9,687)
NBV of disposed property and equipment		-	1
Sales proceed on disposal of PPE	(52)	(139)	
Profit on disposal	34	(52)	(138)

45 Risk management framework

(a) Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- (i) To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.
- (ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- (iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- (iv) To align the profile of assets and liabilities taking account of risks inherent in the business.
- (v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- (vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

Notes to the Financial Statements

For the year ended 31 December 2022



The table below shows the available capital resources of the Company:

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders. The Company's 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 the capital position of the Company in the light of changes in economic conditions and risk characteristics. The primary source of capital used by the Company is the shareholder's funds.

The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources of the Company:

<i>In thousands of Naira</i>	Notes	31-Dec-22	31-Dec-21
Total shareholders' funds		9,881,463	9,205,145
Regulatory capital required		3,000,000	3,000,000
Excess capital		6,881,463	6,205,145

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non – life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N3billion) whichever is higher.

This solvency model compares the insurer's capital against the risk profile. The regulator indicated 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.

(d) Capital Management

The Federal Government of Nigeria, by Federal Republic of Nigeria Official Gazette, dated 18th January, 2022 amended the Finance Act, 2021. The Finance Act 2021 (Part IX - Insurance Act) in Sections 33, 34, and 35 contains provisions which amended Sections 9, 10 and 102 of Insurance Act, 2003, as previously related to paid-up share capital. The Sections of the Act amended the Insurance Act by substituting the words "paid-up share capital", with the words "Capital Requirement" and wherever they appear in Insurance Act 2003.

As an existing company, our capital requirement is as shown below:

<i>In thousands of Naira</i>	31-Dec-22	31-Dec-21
Share Capital	5,000,000	5,000,000
Share Premium	93,878	93,878
Statutory Contingency Reserve	1,399,820	1,296,658
Retained earnings	2,174,992	1,786,462
Excess of admissible assets over liability	8,668,690	8,176,998
Less the amount of own shares held (Treasury shares)	-	-
Subordinated liabilities subject to approval by the Commission	-	-
Any other financial instrument as prescribed by the Commission	-	-
Capital Requirement	8,668,690	8,176,998

Notes to the Financial Statements

For the year ended 31 December 2022



46 Solvency margin

The solvency margin for the Company is as follows: Solvency margin computation as at 31 December 2022

<i>In thousands of Naira</i>	Total	Inadmissible	Admissible
Assets			
Cash and cash equivalents	4,590,089	-	4,590,089
Investment securities	4,020,968	-	4,020,968
Trade receivables	61,936	-	61,936
Reinsurance assets	846,316	-	846,316
Deferred acquisition cost	184,323	-	184,323
Other receivables and prepayments	92,915	66,736	26,179
Investment in joint arrangement	230	-	230
Investment properties	680,000	-	680,000
Property and equipment- Land and building	1,735,000	1,415,000	320,000
Property and equipment- Others	56,897	-	56,897
Intangible assets	5,137	-	5,137
Statutory deposits	500,000	-	500,000
Total Assets	12,773,811	1,481,736	11,292,075
Liabilities			
Insurance contract liabilities	1,993,367		1,993,367
Trade payables	435,982		435,982
Accruals and other liabilities	202,663		202,663
Current income tax liabilities	148,485		148,485
Deferred tax liability	111,851	111,851	-
Total Liabilities	2,892,348	111,851	2,780,497
Excess of total admissible assets over admissible liabilities			8,511,578
Higher of:			
Gross premium written			3,438,718
Less: Reinsurance expense			(2,003,327)
Net premium			1,435,391
15% of net premium or;			215,309
Minimum Capital Required			3,000,000
The higher thereof:			3,000,000
Solvency margin surplus			5,511,578

The company's solvency margin of N8.512 billion (31 December 2021: N7.798 billion) is above the minimum capital of N3,000,000,000 (31

December 2021: N3,000,000,000) prescribed by the Insurance Act of Nigeria.

- 1 Amount represents the inadmissible portion of Other receivables and prepayment based on NAICOM guideline which states that only prepaid expenses made to members of staff are admissible.
- 2 Amount represents the inadmissible portion of Property and equipment based on NAICOM guideline which states that "Proportions of land and buildings and investment property admissible for Solvency margin computation shall not constitute more than 1/3 of the required solvency margin of the Company".

Notes to the Financial Statements

For the year ended 31 December 2022



Solvency margin computation as at 31 December 2021

In thousands of Naira

	Total	Inadmissible	Admissible
Assets			
Cash and cash equivalents	4,337,564		4,337,564
Investment securities	3,383,988		3,383,988
Trade receivables	44,996		44,996
Reinsurance assets	690,926		690,926
Deferred acquisition cost	126,180		126,180
Other receivables and prepayments	255,960	233,349	22,611
Investment in joint arrangement	230		230
Investment properties	625,000		625,000
Property and equipment- Land and building	1,613,499	1,238,499	375,000
Property and equipment- Others	83,648		83,648
Intangible assets	8,408		8,408
Statutory deposits	500,000		500,000
Total Assets	11,670,399	1,471,848	10,198,551
Liabilities			
Insurance contract liabilities	1,725,268		1,725,268
Trade payables	343,163		343,163
Accruals and other liabilities	232,701		232,701
Current income tax liabilities	99,306		99,306
Deferred tax liability	64,815		64,815
Total Liabilities	2,465,253	64,815	2,400,438
Excess of total admissible assets over admissible liabilities			7,798,113
Higher of:			
Gross premium written			2,242,850
Less: Reinsurance expense			(1,184,361)
Net premium			1,058,489
15% of net premium or;			158,773
Minimum Required			3,000,000
The higher thereof:			3,000,000
Solvency margin surplus			4,798,113

Notes to the Financial Statements

For the year ended 31 December 2022



47 Financial assets and liabilities

(a) 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.

31 December 2022

	Note	Loan and receivable	Available for sale	Held to maturity	Other financial liabilities	Total carrying value	value
Cash and cash equivalents	5	4,590,089	-	-	-	4,590,089	4,590,089
Investment securities	6	-	737,655	3,283,313	-	4,020,968	4,020,968
Trade receivables	7	61,936	-	-	-	61,936	61,936
Reinsurance assets*	8	208,841	-	-	-	208,841	208,841
Other receivables	10(b)	29,679	-	-	-	29,679	29,679
Statutory deposits	16	500,000	-	-	-	500,000	500,000
		5,390,545	737,655	3,283,313	-	9,411,513	9,411,513
Trade payables	18	-	-	-	316,015	316,015	316,015
Accrual and other liabilities	19	-	-	-	202,663	202,663	202,663
		-	-	-	518,678	518,678	518,678

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets

31 December 2021

	Note	Loan and receivable	Available for sale	Held to maturity	Other financial liabilities	Total carrying value	value
Cash and cash equivalents	5	4,337,564	-	-	-	4,337,564	4,337,564
Investment securities	6	-	667,535	2,716,453	-	3,383,988	3,383,988
Trade receivables	7	44,966	-	-	-	44,966	44,966
Reinsurance assets*	8	214,572	-	-	-	2214,572	214,572
Other receivables	10(c)	26,111	-	-	-	26,111	26,111
Statutory deposits	16	500,000	-	-	-	500,000	500,000
		5,123,243	667,535	3,716,453	-	8,4507,231	8,4507,231
Trade payables	18	-	-	-	240,648	240,648	240,648
Accrual and other liabilities	19	-	-	-	232,701	232,701	232,701
		-	-	-	473,349	473,349	473,349

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets

Notes to the Financial Statements

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(b) Fair valuation methods and assumptions

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of certain valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly i.e. as prices, or indirectly i.e. derived from prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques includes inputs not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(a) Financial instrument measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting year, by the level of the fair value hierarchy into which the fair value measurement is categorized.

31 December 2022

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total
Investment securities					
Equity securities	6	737,655	-	-	737,655
Treasury Bills	6	-	-	-	-
Bonds	6	3,283,313	-	-	3,283,313
Long-term placements	6	-	-	-	-
		4,020,968	-	-	4,020,968

31 December 2021

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total
Investment securities					
Equity securities	6	667,535	-	-	667,535
Treasury Bills	6	-	-	-	-
Bonds	6	2,716,453	-	-	2,716,453
Long-term placements	6	-	-	-	-
		3,383,988	-	-	3,383,988

Investment securities

The fair values of equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments.

The fair value of treasury bills and bonds are determined with reference to quoted prices unadjusted in active market for identical assets. However, the prices for some treasury bills were adjusted active market prices for identical assets since they were not directly quoted.

(b) Financial instrument not measured at fair value

The fair value information for other financial assets and financial liabilities not measured at fair value has not been disclosed because their carrying amount is a reasonable approximation of its fair value. These financial assets and liabilities include:

(i) Cash and cash equivalents

Cash and cash equivalents represent cash balances and placements held with financial institutions. The carrying amount of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

(ii) Trade receivables

Trade receivables represents balances with contract holders, reinsurers and co-insurers. Due to 'no premium no cover policy, only outstanding premiums that are backed up with credit notes from brokers, co-insurers and reinsurers are recognized in the books. However, it is reversed if payment is not received within 1 month of outstanding. The carrying amounts of trade receivables are receivable in less than one year, are reasonable approximation of their fair values.

Notes to the Financial Statements

For the year ended 31 December 2022



- (iii) Reinsurance assets represents amount recoverable from reinsurers in respect of claims. The fair value of this balance is the carrying amount.
- (iv) Other receivables represents balances due from staff and other sundry debtor. The carrying amounts of other receivables are receivable in less than one year, are reasonable approximation of their fair values
- (v) Statutory deposit represent mandatory deposit with the Central Bank. The fair value of this balance is the carrying amount.

48 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

Credit risk
Liquidity risk
Market risk

(a) Finance risk management framework

The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors for on its activities. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. In addition to credit risks arising out of investments and transactions with clients, FIN Insurance actively assumes credit risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases.

FIN Insurance's strategy as an Insurance Company does not entail the elimination of Credit Risk but rather to take on credit risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring credit risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate credit risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, FIN Insurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

- (a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations; (b) Identify credit risk in each investment, loan or other activity of the Insurance Company
- (c) Utilize appropriate, accurate and timely tools to measure credit risk
- (d) Set acceptable risk parameters;
- (e) Maintain acceptable levels of credit risk for existing individual credit exposures
- (f) Maintain acceptable levels of overall credit risk for FIN Insurance's Portfolio; and
- (g) Coordinate Credit Risk Management with the management of other risks inherent in FIN Insurance's business activities.

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization. The Company's credit risk can be analysed as follows:

Notes to the Financial Statements

For the year ended 31 December 2022



	Note	31-Dec-22	31-Dec-21
Reinsurance receivables (see note (a) below)	8	290,726	273,805
Cash and cash equivalents (See note(b) below)	5	4,590,089	4,337,564
Held to maturity (see note '© below)	6(b)	3,283,313	2,716,453
Statutory deposit	16	500,000	500,000
Other receivables	10(b)	29,679	26,111
		8,693,807	7,853,933

(a) Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of setoff. None of its receivable from reinsurance companies was impaired as at 31 December 2022 (31 December 2021: Nil)

(b) Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

(c) Held-to-maturity

The Company's HTM investments are in treasury bills and bonds. None of its investment was impaired as at 31 December 2022 (31 December 2021: Nil) The Company did not have any debt securities that were past due but not impaired as at 31 December 2022 (31 December 2021: Nil)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements

The table below sets out the Company's classification of each class of financial assets and liabilities, and their maturity profiles

31 December 2021

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal cashflow	1-3 months	3-6 months	6-12 months	1-5 years	above 5 years	Total
Cash and cash equivalents	5	4,590,089	4,590,089	4,590,089	-	-	-	-	4,590,089
Debt securities	6	3,283,313	3,283,313	-	-	-	-	3,283,313	3,283,313
Equity securities	6	737,655	737,655	-	-	-	-	737,655	737,655
Trade receivables	7	61,936	61,936	61,936	-	-	-	-	61,936
Reinsurance assets	8	846,316	290,726	-	-	290,726	-	-	290,726
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000	500,000
Other receivables and prepayme	10(b)	29,679	29,679	-	-	29,679	-	-	29,679
		10,048,988	9,493,398	4,652,025	-	320,405	-	4,520,968	9,493,398
Insurance contract liabilities	17	1,993,367	1,993,367	-	-	1,993,367	-	-	1,993,367
Trade payables	18	316,015	435,982	-	-	435,982	-	-	435,982
Other payables	19	202,663	202,663	-	-	202,663	-	-	202,663
		2,512,045	2,632,012	-	-	2,632,012	-	-	2,632,012
Gap (assets - liabilities)		7,536,943	6,861,386	4,652,025	-	(2,311,607)	-	4,520,968	6,861,386
Cummulative liquidity gaps		7,536,943	6,861,386	4,652,025	4,652,025	2,340,418	2,340,418	6,861,386	

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31 December 2021

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal cashflow	1-3 months	3-6 months	6-12 months	1-5 years	above 5 years	Total
Cash and cash equivalents	5	4,337,564	4,337,564	4,337,564	-	-	-	-	4,337,564
Debt securities	6	2,716,453	2,716,453	-	-	-	-	2,716,453	2,716,453
Equity securities	6	667,535	667,535	-	-	-	-	667,535	667,535
Trade receivables	7	44,996	44,996	44,996	-	-	-	-	44,996
Reinsurance assets	8	690,926	273,805	-	-	273,805	-	-	273,805
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000	500,000
Other receivables and prepayme	10(c)	26,111	26,111	-	-	26,111	-	-	26,111
		8,983,585	8,566,464	4,382,560	-	299,916	-	3,883,988	8,566,464
Insurance contract liabilities	17	1,725,268	1,725,268	-	-	1,725,268	-	-	1,725,268
Trade payables	18	240,648	343,163	-	-	343,163	-	-	343,163
Other payables	19	232,701	232,701	-	-	232,701	-	-	232,701
		2,198,617	2,301,132	-	-	2,301,132	-	-	2,301,132
Gap (assets - liabilities)		6,784,968	6,265,332	4,382,560	-	(2,001,216)	-	3,883,988	6,265,332
Cummulative liquidity gaps		6,784,968	6,265,332	4,382,560	4,382,560	2,381,344	2,381,344	6,265,332	

(iii) Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian Naira.

The currencies in which these transactions are primarily denominated are the Nigerian Naira. However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and United States dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 December 2022 Carrying Amount					31 December 2021 Carrying Amount			
	(NGN)	USD	EURO	POUNDS	(NGN)	(NGN)	USD	EURO	(NGN)
Cash and cash equivalents	4,590,089	3,768,607	5,418	339	815,725	4,337,564	3,337,789	3,557	996,218
Financial assets	4,020,968	3,283,313	-	-	737,655	3,383,988	2,716,453	-	667,535
	8,611,057	7,051,920	5,418	339	1,553,380	7,721,552	6,054,242	3,557	1,663,753
Outstanding claims	(633,751)	(306,987)	-	-	(326,764)	(747,261)	(496,079)	-	(251,182)
Net statement of financial position exposure	7,977,306	6,744,933	5,418	339	1,226,616	6,974,291	5,558,163	3,557	1,412,571

The following significant exchange rates have been applied.

Year-end spot rate	31-Dec-22	31-Dec-21
USD	461.50	435.00
Euro	478.92	466.98
Pound		

Foreign currency sensitivity analysis

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For the year ended 31 December 2022



The Company's exposure to foreign currency risk is largely concentrated in the US Dollar. Movements in exchange rates between the US Dollar and the Nigerian Naira as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency, equity and profit or loss.

The table below shows the impact on the Company's profit or loss and statements of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 10%.

This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect of thousands in Naira	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31/Dec/22				
USD (10% movement)	674,493	(674,493)	472,145	(472,145)
31/Dec/21				
USD (10% movement)	555,816	(555,816)	389,071	(389,071)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

The Company's has equity investments some of which are listed on the Nigerian Stock Exchange and are classified as available for sale. A 2% increase in the share price of those equities at the reporting date would have increased equity by N14.8million after tax (31 December 2021 N13.4million). An equal change in the opposite direction would have reduced equity by N14.8million after tax (31 December 2021: N13.4million).

49 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 its 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 principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. 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 tail claims that take some years to settle, there is also inflation risk. 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 and procedures exist to assess all new and on-going 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

Notes to the Financial Statements

For the year ended 31 December 2022



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.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The

Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

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 claims, 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 and changes in foreign currency rates.

Sensitivities

The Company's 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.

50 Hypothecation

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

<i>In thousands of Naira</i>	2022			2021		
	Insurance Fund	Shareholders Fund	Total	Insurance Fund	Shareholders Fund	Total
Assets						
Cash and cash equivalents	3,442,567	1,147,552	4,590,119	4,337,564		4,337,564
Investment securities	4,020,969	-	4,020,969	3,383,988	-	3,383,988
Trade receivables	-	61,936	61,936	-	44,996	44,996
Reinsurance assets	846,316	-	846,316	690,926	-	690,926
Deferred acquisition cost	-	184,323	184,323	-	126,180	126,180
Other receivables and prepayme	-	92,915	92,915	-	255,960	255,960
Investment in joint venture	-	230	230	-	230	230
Investment properties	-	680,000	680,000	-	625,000	625,000
Intangible assets	-	5,137	5,137	-	8,407	8,407
Property and equipments	-	1,791,896	1,791,896	-	1,697,147	1,697,147
Statutory deposits	-	500,000	500,000	-	500,000	500,000
Total assets	8,309,852	4,463,989	12,773,841	8,412,478	3,257,920	11,670,398
Liabilities						
Insurance Contract liabilities	1,993,367	-	1,993,367	1,725,268	-	1,725,268
Trade payables	-	435,982	435,982	-	343,163	343,163
Accrual and other liabilities	-	202,663	202,663	-	232,703	232,703
Current income tax liabilities	-	148,485	148,485	-	99,306	99,306
Deferred tax liability	-	111,851	111,851	-	64,815	64,815
Total liabilities	1,993,367	898,981	2,892,348	1,725,268	739,987	2,465,255
Gap	6,316,485	3,565,008	9,881,493	6,687,210	2,517,933	9,205,143



OTHER NATIONAL *DISCLOSURES*

Revenue Account

For the year ended 31 December 2022



FIN INSURANCE COMPANY LIMITED

Revenue Account

For the period ended 31 December, 2022

In thousands of Naira	Note	Fire	Accident	Motor	Marine	Bond	Engineering	Agric	Aviation	Oil & Gas	2022 Total of Gen. Biz. with Sp.	2021 Total of Gen. Biz.
Gross premium written	26	906,656	147,434	640,082	141,045	569	261,593	208,571	253,168	879,600	3,438,719	2,242,850
(Increase)/decrease in Unearned premium	27(a)	(81,839)	(12,835)	(48,099)	4,092	109	(89,097)	(27,075)	293	(132,191)	(386,642)	(143,923)
Gross premium Earned	27(a)	824,817	134,599	591,983	145,137	678	172,496	181,496	253,461	747,409	3,052,076	2,098,927
Reinsurance cost	27	(840,739)	(15,850)	(178,596)	(108,312)	(346)	(156,093)	(134,293)	(129,697)	(439,401)	(2,003,327)	(1,184,361)
Net Premium Earned		(15,922)	118,749	413,387	36,825	332	16,403	47,203	123,764	308,008	1,048,749	914,566
Fees and commissions income	28	295,408	2,983	32,751	28,409	102	51,882	19,186	4,523	81,927	517,171	245,652
Total income		279,486	121,732	446,138	65,234	434	68,285	66,389	128,287	389,935	1,565,920	1,160,218
Direct claims paid	29	(120,196)	(23,389)	(166,686)	(3,250)	-	(756)	(25,435)	(51,064)	(10,149)	(400,925)	(382,986)
(Increase)/decrease in provision for outstanding claims		52,656	(38,280)	(37,615)	(5,710)	8,437	(44,542)	7,975	2,816	172,808	118,545	(160,865)
Gross claims incurred		(67,540)	(61,669)	(204,301)	(8,960)	8,437	(45,298)	(17,460)	(48,248)	162,659	(282,380)	(543,851)
Change in reinsurance recoverable & others	29	57,888	14,469	50,275	7,543	(5,993)	36,362	(4,757)	29,096	126	185,009	222,873
Net claims incurred	29	(9,652)	(47,200)	(154,026)	(1,417)	2,444	(8,936)	(22,217)	(19,152)	162,785	(97,371)	(320,978)
Acquisition Expenses	30	(152,701)	(32,711)	(74,879)	(30,524)	(186)	(35,346)	(22,689)	(47,319)	(113,608)	(509,963)	(366,861)
Maintenance costs	30	(71,518)	(8,714)	(32,250)	(5,449)	(11)	(5,322)	(26,433)	(6,957)	(42,209)	(198,863)	(102,578)
Underwriting expenses		(224,219)	(41,425)	(107,129)	(35,973)	(197)	(40,668)	(49,122)	(54,276)	(155,817)	(708,826)	(469,439)
Underwriting result		45,615	33,107	184,983	27,844	2,681	18,681	(4,950)	54,859	396,903	759,723	369,801

Value Added Statement

For the year ended 31 December 2022



<i>In thousands of naira</i>	31-Dec-2022	%	31-Dec-2021	%
Gross premium-Local	3,052,075	361	2,098,927	193
Other income	1,296,263	153	1,394,391	128
Bought in materials and services	(3,501,825)	(414)	(2,406,114)	(221)
Value Added	846,513	100	1,087,204	100
Distribution of Value Added: To Government:				
Government(taxes)	(157,877)	(19)	(93,517)	(9)
To employees:				
Employees (staff cost)	467,673	55	394,020	36
Retained in business:				
Depreciation	40,885	5	39,279	4
Amortisation	4,141	0	3,003	0
Retained earnings/(losses)	491,691	58	744,419	68
Value Added	846,512	100	1,087,204	100

Financial Summary

For the year ended 31 December 2022



<i>In thousands of naira</i>	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	4,590,089	4,337,564	3,127,814	4,444,578	791,586
Investment securities	4,020,968	3,383,988	3,601,408	1,491,972	1,550,922
Trade receivables	61,936	44,996	45,904	2,082	1,570
Reinsurance assets	846,316	690,926	468,970	379,686	305,622
Deferred acquisition costs	184,323	126,180	89,042	38,274	40,793
Other receivables and prepayments	92,915	255,960	69,012	21,580	56,026
Investment in joint arrangement	230	230	133,556	261,188	2,746,384
Investment properties	680,000	625,000	602,000	560,000	532,000
Intangible assets	5,137	8,407	4,148		2,432
Property and equipment	1,791,897	1,697,147	1,612,724	1,565,220	1,436,129
Right of Use assets		-	1,842	3,726	-
Statutory deposits	500,000	500,000	500,000	300,000	300,000
Total Assets	12,773,811	11,670,398	10,256,420	9,068,306	7,763,464
Liabilities					
Insurance contract liabilities	1,993,367	1,725,268	1,338,170	1,026,750	980,232
Trade payables	435,982	343,163	227,678	143,771	106,635
Accruals and other liabilities	202,663	232,703	217,706	194,616	200,269
Current income tax liabilities	148,485	99,306	138,268	147,951	202,565
Deferred tax liability	111,851	64,815	39,142	-	234,345
Total liabilities	2,892,348	2,465,255	1,960,964	1,513,088	1,724,046
Net Assets	9,881,463	9,205,143	8,295,456	7,555,218	6,039,418
Equity					
Ordinary share capital	5,000,000	5,000,000	5,000,000	3,300,000	3,300,000
Share premium	93,878	93,878	93,878	93,878	93,878
Statutory contingency reserve	1,399,820	1,296,658	1,147,775	1,065,486	823,392
Other reserves	1,212,773	1,028,144	862,872	734,077	428,747
Retained earnings	2,174,992	1,786,463	1,190,931	2,361,777	1,393,401
Total equity	9,881,463	9,205,143	8,295,456	7,555,218	6,039,418
Profit or loss account and other comprehensive income					
<i>In thousands of naira</i>	31-Dec-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018
Gross premium written	3,438,718	2,242,850	1,561,068	1,238,845	1,016,772
Net premium income	1,048,748	914,566	682,857	618,389	527,305
Profit/(Loss) before minimum taxation	649,568	837,934	452,666	979,010	1,550,271
Minimum tax	-	-	(3,377)	(5,953)	(31,251)
Profit/(Loss)/ before taxation	491,691	744,416	449,289	973,057	1,519,020
Income taxes	-	-	(37,846)	237,413	(29,448)
Profit/(Loss)/ after taxation	491,691	744,416	411,443	1,210,470	1,489,572
Transfer to contingency reserve	(103,162)	(148,884)	(82,289)	(242,094)	(297,914)
Transfer to retained earnings	388,529	595,534	329,154	2,178,846	1,191,658
Earnings per share (Kobo)	10	15	8	37	45



Gross claim reserving
The claims paid are allocated to claim development years as illustrated below.
Cumulative Claims Development Pattern: Fire

Incremental Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2011	1,097	9,016	66,133	50	-	-	-	-	-	-	-	-	-
2012	3,040	4,422	1,168	64	-	-	332	-	38	-	-	-	-
2013	7,415	397	578	-	-	8	-	-	-	-	-	-	-
2014	1,198	4,682	3,100	145	121	-	-	-	-	-	-	-	-
2015	3,570	12,319	339	491	-	-	-	-	-	-	-	-	-
2016	13,155	8,708	6,161	-	-	-	-	-	-	-	-	-	-
2017	15,727	28,922	1823	3102	-	-	-	-	-	-	-	-	-
2018	52,897	29,036	1658	856	118	-	-	-	-	-	-	-	-
2019	24,227	7,413	1848	464	-	-	-	-	-	-	-	-	-
2020	2910	36441	36258	-	-	-	-	-	-	-	-	-	-
2021	14025	29311	-	-	-	-	-	-	-	-	-	-	-
2022	14524	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2011	4,443	37,295	256,399	256,552	256,552	256,552	256,552	256,552	256,552	256,552	256,552	256,552	256,552
2012	11,077	25,728	29,306	29,486	29,486	29,486	9,026	30,101	30,101	30,101	30,101	30,101	30,101
2013	24,567	25,783	27,408	27,408	27,408	27,423	27,423	27,423	27,423	27,423	27,423	27,423	27,423
2014	3,670	16,835	24,484	24,790	25,014	25,014	25,014	25,014	25,014	25,014	25,014	25,014	25,014
2015	10,038	40,435	41,150	42,062	42,062	42,062	42,062	42,062	42,062	42,062	42,062	42,062	42,062
2016	32,460	50,839	62,274	62,274	62,274	62,274	62,274	62,274	62,274	62,274	62,274	62,274	62,274
2017	33,192	86,870	89,898	94,485	94,485	94,485	94,485	94,485	94,485	94,485	94,485	94,485	94,485
2018	98,173	146,398	148,849	149,949	150,077	150,077	150,077	150,077	150,077	150,077	150,077	150,077	150,077
2019	40,237	51,198	53,573	54,079	54,129	54,129	54,129	54,129	54,129	54,129	54,129	54,129	54,129
2020	4,303	51,125	90,646	91,573	91,671	91,671	91,671	91,671	91,671	91,671	91,671	91,671	91,671
2021	18,020	49,969	91,809	92,888	92,999	92,999	92,999	92,999	92,999	92,999	92,999	92,999	92,999
2022	15,831	40,770	80,012	81,066	81,174	81,174	81,174	81,174	81,174	81,174	81,174	81,174	81,174



Cumulative Claims Development Pattern: Motor

Incremental Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	19,090	19,160	6,897	168	2,500	-	-	-	-	-	-	-	-
2011	21,365	16,776	1,963	107	-	-	-	926	-	-	0	1109	-
2012	16,807	46,781	48	1,132	-	-	-	-	-	-	-	-	-
2013	50,831	21,292	4,206	-	-	-	-	-	-	-	-	-	-
2014	16,043	14,613	6,061	-	2,648	-	-	-	-	-	-	-	-
2015	21,875	17,414	431	2,295	268	-	-	2273	-	-	-	-	-
2016	52,236	8,747	1,747	-	-	-	-	-	-	-	-	-	-
2017	36,807	13,906	2,312	-	-	-	-	-	-	-	-	-	-
2018	56,852	24,437	180	-	-	-	-	-	-	-	-	-	-
2019	62,346	20,744	-	-	-	-	-	-	-	-	-	-	-
2020	37,935	14,538	753	-	-	-	-	-	-	-	-	-	-
2021	47,017	16,917		-	-	-	-	-	-	-	-	-	-
2022	88,205	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	85,855	163,452	188,583	189,140	196,798	196,798	196,798	196,798	196,798	196,798	196,798	196,798	196,798
2011	86,527	147,655	154,159	154,487	154,487	154,487	154,487	156,205	156,205	156,205	156,205	157,414	-
2012	61,241	216,230	216,378	219,561	219,561	219,561	219,561	219,561	219,561	219,561	219,561	-	-
2013	168,407	233,634	245,460	245,460	245,460	245,460	245,460	245,460	245,460	245,460	-	-	-
2014	49,146	90,235	105,191	105,191	110,106	110,106	110,106	110,106	110,106	-	-	-	-
2015	61,508	104,478	105,388	109,647	110,093	110,093	110,093	112,570	-	-	-	-	-
2016	128,893	147,354	150,597	150,597	150,597	150,597	150,597	-	-	-	-	-	-
2017	77,682	103,491	107,330	107,330	107,330	107,330	-	-	-	-	-	-	-
2018	105,514	146,101	146,337	146,337	146,337	-	-	-	-	-	-	-	-
2019	103,549	134,222	134,222	134,222	-	-	-	-	-	-	-	-	-
2020	56,094	74,773	75,594	-	-	-	-	-	-	-	-	-	-
2021	60,410	78,850	-	-	-	-	-	-	-	-	-	-	-
2022	96,144	-	-	-	-	-	-	-	-	-	-	-	-



Cumulative Claims Development Pattern: Marine

Incremental Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	1,001	2,166	2,184	-	-	-	-	-	-	-	-	-	-
2011	1,720	4,165	442	-	-	-	-	-	-	-	-	-	-
2012	3,781	17,143	-	-	-	-	-	-	-	-	-	-	-
2013	4,299	92	-	-	-	-	-	-	-	-	-	-	-
2014	741	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	3,735	76	-	-	-	-	-	-	-	-	-	-
2016	1,250	2,212	-	-	-	-	-	-	-	-	-	-	-
2017	2,005	371	-	-	-	-	-	-	-	-	-	-	-
2018	-	178	-	-	-	-	-	-	-	-	-	-	-
2019	-	23,783	-	-	-	-	-	-	-	-	-	-	-
2020	5,388	8343	-	-	-	-	-	-	-	-	-	-	-
2021	25,860	-	-	-	-	-	-	-	-	-	-	-	-
2022	3,250	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Yearly Projections N'000													
Accident	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	4,502	13,274	21,232	21,232	21,232	21,232	21,232	21,232	21,232	21,232	21,232	21,232	21,232
2011	6,966	22,142	23,607	23,607	23,607	23,607	23,607	23,607	23,607	23,607	23,607	23,607	23,607
2012	13,777	70,573	70,573	70,573	70,573	70,573	70,573	70,573	70,573	70,573	70,573	70,573	70,573
2013	14,243	14,525	14,525	14,525	14,525	14,525	14,525	14,525	14,525	14,525	14,525	14,525	14,525
2014	2270	2270	2270	2270	2270	2270	2270	2270	2270	2270	2270	2270	2270
2015	-	9,216	9,377	9,377	9,377	9,377	9,377	9,377	9,377	9,377	9,377	9,377	9,377
2016	1,250	7,753	7,753	7,753	7,753	7,753	7,753	7,753	7,753	7,753	7,753	7,753	7,753
2017	2,005	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920
2018	-	295	295	295	295	295	295	295	295	295	295	295	295
2019	-	35,167	35,167	35,167	35,167	35,167	35,167	35,167	35,167	35,167	35,167	35,167	35,167
2020	5,388	18,687	18,687	18,687	18,687	18,687	18,687	18,687	18,687	18,687	18,687	18,687	18,687
2021	25,860	33,226	35,606	35,606	35,606	35,606	35,606	35,606	35,606	35,606	35,606	35,606	35,606
2022	25,860	8,581	9,288	9,288	9,288	9,288	9,288	9,288	9,288	9,288	9,288	9,288	9,288



Cumulative Claims Development Pattern: General Accident

Incremental Chain ladder-Yearly Projections N'000													
Accident year	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	21,677	43,046	8,856	10,296	488	963	255	-	-	-	-	-	-
2011	26,288	13,262	2,468	720	3,002	3,460	377	116	-	-	-	1047	-
2012	23,018	27,983	2,981	1,120	1,184	-	-	400	-	-	-	-	-
2013	3,256	1,940	1,245	1,007	80	-	28	-	1246	13	-	-	-
2014	26,401	930	3,451	516	52	152	-	1	-	-	-	-	-
2015	1,435	5,339	26	1,890	403	110	-	15	-	-	-	-	-
2016	4,551	17,484	1,859	83	986	69	-	-	-	-	-	-	-
2017	4,874	9,874	3,017	847	86	436	-	-	-	-	-	-	-
2018	2,401	1,696	748	-	-	-	-	-	-	-	-	-	-
2019	3,121	6,830	47	150	-	-	-	-	-	-	-	-	-
2020	3,322	2833	1746	-	-	-	-	-	-	-	-	-	-
2021	3,081	6614	-	-	-	-	-	-	-	-	-	-	-
2022	5,331	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Yearly Projections N'000													
Accident year	0	1	2	3	4	5	6	7	8	9	10	11	12
2010	97,489	271,824	304,093	338,205	339,700	342,407	343,037	343,037	343,037	343,037	343,037	343,037	343,037
2011	106,465	154,789	162,960	165,171	173,613	182,150	182,946	183,162	183,162	183,162	183,162	184,303	-
2012	83,873	176,583	185,715	188,864	191,786	191,786	191,786	192,449	192,449	192,449	192,449	-	-
2013	10,787	16,370	20,231	22,716	22,884	22,884	22,931	22,931	24,532	24,546	-	-	-
2014	80,877	83,492	92,008	93,096	93,193	93,445	93,445	93,447	93,447	-	-	-	-
2015	4,035	17,209	17,264	20,771	21,441	21,604	21,604	21,620	-	-	-	-	-
2016	11,230	48,130	51,581	51,179	53,177	53,265	53,265	-	-	-	-	-	-
2017	10,287	28,613	33,623	34,875	34,985	35,461	-	-	-	-	-	-	-
2018	4,456	7,273	8,379	8,379	8,379	-	-	-	-	-	-	-	-
2019	5,183	15,282	15,343	15,507	-	-	-	-	-	-	-	-	-
2020	4,912	8,551	10,454	-	-	-	-	-	-	-	-	-	-
2021	3,959	11,668	-	-	-	-	-	-	-	-	-	-	-
2022	5,810	-	-	-	-	-	-	-	-	-	-	-	-

PROXY FORM

41st Annual General Meeting to be held at **11th Floor, Alliance Place, Plot 33A, Alfred Rewane Road, Ikoyi, Lagos (and also via Teleconference) at 1:00pm on 2nd August 2023.**

I/We..... being a member of FIN Insurance Company Limited hereby appoint:

..... as our proxy to vote on our behalf for/against the resolution(s) at the Annual General Meeting of the Company to be held on Wednesday, 2nd August 2023 and any adjournment thereof.

Dated this..... day of 2023

Shareholder's Signature _____

Notes

1. A member of the Company is entitled to attend and vote at the Annual General Meeting of the Company. He is also entitled to appoint a proxy to attend and vote in his stead, and in this case, this card may be used to appoint a proxy.
2. All executed Proxy Forms must be deposited at the office of the Registrars, Cardinalstone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos, or the office of the Company Secretary, via the following email addresses: ulomaokoro@pacsolicitors.com and mmasichukwumanyike@pacsolicitors.com, or deposited at PAC Solicitors, 10, Canaanland Street, off Whitesands Avenue, Lekki Phase 1, Lagos, Nigeria, not later than 48 hours before the date of the Annual General Meeting.

S/N	ORDINARY BUSINESS	FOR	AGAINST
1.	To receive the 2022 Audited Financial Statements and Accounts		
2.	To re-elect Mr. Bashir Binji		
3.	To re-elect Mr. Abdulkareem Mohammed Sani		
4.	To authorize the Directors to fix the remuneration of the Auditor		
5.	To disclose the remuneration of Managers		
	SPECIAL BUSINESS		
6.	To fix the remuneration of the Directors		

Please indicate with "X" in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

3. If the shareholder is a Company, this form should be sealed under the Company's common seal or under the hand of an officer duly authorized.
4. Under the Stamp Duties Act, CAP S8. Laws of the Federation of Nigeria, 2004 any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty.

Before posting the above form please tear off this part and retain it for admission to the meeting

ADMISSION CARD TO THE 41ST ANNUAL GENERAL MEETING OF FIN INSURANCE COMPANY LIMITED (RC 38815) to hold at 11th Floor, Alliance Place, Plot 33A, Alfred Rewane Road, Ikoyi, Lagos (and also via Teleconference) at 1:00pm on 2nd August 2023.

Name of Shareholder _____

Signature of Shareholder _____

Name of Proxy _____

Signature of Proxy _____

[illegible]

[illegible]

Contact us

 **09-02913712**

 Corporate Office

5, Idowu Taylor Street, NUC Building,
1st Floor, Victoria Island, Lagos.

 Registered Address

34, Gana Street Maitama, F.C.T Abuja.



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